## Social Report

### Efforts to Ensure Gas Safety

Earthquake and disaster measures and efforts to protect our customers.

### Efforts to Enhance Customer Satisfaction

Providing one-stop service to our customers and efforts to reflect the opinions of our customers.

### Social Action Programs through Our Main Line of Business

Social action programs conducted in the three fields, and the support we provide to volunteer activities.

### Respect for Human Rights

Activities to increase awareness of human rights, with the aim of instilling respect for human rights and building a vibrant workplace.

### For Our Employees

Our concept on personnel management, as well as our involvement in human resources development and in occupational safety and health.

### For Our Shareholders & Investors

Basic IR policy and the company's profit distribution policy.

### For Our Business Partners

Guidelines for purchasing and efforts to realize fair transactions.
Tokyo Gas is taking measures against earthquake and disasters to ensure that our customers can always use gas safely and conveniently, 24 hours a day and 365 days a year. These measures involve three categories: preventive measures, emergency response measures, and restoration measures. Should a disaster strike, we will strive to keep its impact on our customers to a minimum level.

**Preventive Measures**

Gas delivery facilities with high earthquake resistance.

Facilities involved in the production and supply of city gas not only possess high earthquake resistance, but are also constructed with a double or triple layer of safety devices installed. Important facilities are built to withstand major earthquakes as large as the Great Hanshin-Awaji Earthquake and Great East Japan Earthquake.

![Sodegaura LNG Terminal](image)

High-pressure gas pipeline | Gas holder | Low-pressure gas pipeline

**Emergency Response Measures**

Gas supplies can be stopped swiftly to prevent secondary damage.

In preparation for a major earthquake, Tokyo Gas has established an earthquake disaster prevention system that is able to stop the supply of gas to residences and commercial buildings by their gas meters as well as entire regions through remote operation. The pipeline network is also divided into small "disaster prevention blocks" to minimize the inconvenience caused by the termination of gas supplies.

- **System to stop gas supplies to residences and commercial buildings**

  In the event of earthquake with a seismic intensity of 5-upper or more, or an abnormal gas leakage, the intelligent has meter is activated to automatically shut off the gas supply immediately. Gas valves with fuse
function and safety functions of gas appliances are also in place to ensure safety of the household. For safety measures at underground malls and high-rise buildings, the gas supply for the entire facility can be stopped by remotely operating the emergency shut-off valve from the facility's disaster prevention center or administrator's office.

**Note:** If the gas supply for the entire building needs to be stopped to increase safety during a disaster, a Tokyo Gas employee will manually close the shut-off valve regardless of whether or not fires or earthquakes are occurring. This valve cannot be operated by customers.

### System to discontinue gas supplies to an entire region that received significant damage
Seismographs have been installed in all district supply governors (pressure regulators that convert gas from mid to low pressure) at approximately 4,000 locations throughout our supply area. If the sensors detect a major earthquake, each supply governor will automatically shut off the local gas supply, while also making it possible to shut down gas supplies by remote control. Our supply area contains the highest concentration of seismographs in the world - one for approximately every 1.0 km² - which serves to efficiently monitor the safety of the entire area.

SUPREME by Tokyo Gas is an earthquake disaster prevention system that utilizes a high concentration of installed seismographs. The system has the capacity to gather earthquake information from approximately 4,000 locations and monitors the safety of the area through its ability to remotely stop the supply governor, as well as estimate the damage sustained by gas pipes. When a large-scale earthquake occurs, the system utilizes the data that it acquires from its seismographs to ascertain the damage within five minutes from the start of the initial shaking. By around ten minutes after the start of the earthquake, supply governors are remotely operated to stop gas supplies to areas where large-scale damage is expected, thus acting swiftly to provide safety.
Location of seismographs in the Tokyo Gas supply area and tremor strength in the southern Kanto region at the time of the Great East Japan Earthquake of March 11, 2011

### Restoration Measures

**Gas supply can be resumed, swiftly and safely.**

Tokyo Gas will work to resume service as quickly as possible in order to reduce the inconvenience experienced in areas where gas supplies have been stopped. We will make full use of our equipment and systems, which are always maintained and at the ready on a daily basis, and will work together with gas utilities nationwide to restore gas supplies at the earliest possible time.

**Establishment of a relief and support system for times of disaster**

Based on the lessons drawn from disaster relief support activities conducted in the wake of the Great Hanshin-Awaji Earthquake and the Niigata Chuetsu Offshore Earthquake, Tokyo Gas has been readying mobile gas generation equipment (large PA-13A) at different locations to provide relief support when gas supplies stop. This gas generation equipment can be used to operate facilities (kitchens, etc.) until gas supplies resume, and will be provided to customers with social priority needs, such as hospitals. Mobile gas generation equipment was actually utilized in the aftermath of the Great East Japan Earthquake. Continuing from fiscal 2013, we will further our efforts in fiscal 2014 to develop various measures of support, improve and enhance the information we have available on customers with social priority needs, and provide education and training in relief support by utilizing the actual equipment to be used in times of disaster.
To Support the Restoration Effort

In the case of large-scale restoration activities, a system of cooperation has been developed for gas utilities nationwide to work with The Japan Gas Association to provide personnel and equipment toward restoration activities. In the wake of the Great East Japan Earthquake, the Tokyo Gas Group resumed service for our about 30,000 customers within about one week, and continued to provide supporting personnel for two months to 6 gas utilities (maximum of 1,950 personnel in one day). The entire group worked together in the restoration activities, repairing pipes and providing a new gas service so that customers could access gas supplies as soon as possible.

Efforts Made During Normal Times

Tokyo Gas has formulated a business continuity plan (BCP) for times of disasters and established a disaster prevention system that is operational during normal times in order to prepare for the risk of a major earthquake occurring in the Tokyo Metropolitan area.

 Establishment of the Business Continuity Plan (BCP)

In order to cut off gas supplies to prevent secondary disasters while also continuing to provide safe gas supplies to areas where damage is limited, Tokyo Gas reviews all of its business operations, which number more than 600, and ranks them in order of priority during the disaster. If the gas supply for an area is stopped, the entire company will put forth its best effort to resume supplies as early as possible, such as by dispatching operation staff to the recovery effort.

 Comprehensive disaster prevention training

Each year, the head office and business offices of Tokyo Gas conduct the company's own disaster prevention training for all employees. We make constant efforts to ensure that each and every employee is able to take appropriate actions during emergencies.
Information transmission system in times of earthquakes

We developed a system that sends earthquake data collected at SUPREME to the mobile phones of employees in a matter of minutes after an earthquake strikes. By sharing information swiftly and accurately within the company, it is possible to take swift and appropriate measures against the disaster. This system can also be used to verify the safety of employees and contact them in an emergency.
Tokyo Gas has a 24-hour, 365-day emergency mobilization system in place to prepare for emergencies such as gas leaks. We operate and maintain a security system on a daily basis, and have taken all appropriate measures to prepare for all types of incidents in order to protect the safety of our customers.

Security System of Tokyo Gas

When the Tokyo Gas Customer Center receives a report of a gas leak, the call is immediately transferred to the Security Command Center, which then makes inquiries to ascertain the situation and offer safety advice. Gaslight 24 is swiftly dispatched to the scene from its various locations. Our security system also has a hotline for coordinating with the fire department and police.
Gaslight 24

Gaslight 24 locations are on call, 24 hours a day, to provide an immediate response to gas leaks and other emergencies. Each location within the Tokyo Gas supply area is stationed by staffs that are specialized in emergency security response procedures. Staffs respond immediately when a command is issued from the Security Command Center, regardless of time or day.

Station 24

We provide a wide variety of fee-based services, such as "My Tsuho" and "Mimamoru," to provide even more security to our customers. "My Tsuho" is a gas security service that connects home gas meters to Station 24 via telephone lines. It provides our customers with three services: remotely shutting off the gas supply upon request from the customer who is away from home by calling Station 24; reporting incidents of gas being left on or other irregular gas use; and using mobile phones or computers to remotely check if the gas has been turned off, and if not, to shut it down remotely.

"Mimamoru" is an adaptation of the system used for "My Tsuho," and allows our customers to monitor the level of gas utilization of their family members who live apart from them. The information is sent to customers by e-mail to their mobile phone or computer. Information on the level of gas use helps to monitor the lifestyles of the family members, such as determining daily patterns in preparing food and bathing, thus making it possible for our customers to unobtrusively watch over their family members even if they live far away.

In addition to the above, we also provide 24-hour remote monitoring of gas equipment in buildings and apartments by connecting them to Station 24 via telephone lines.

Safety Management System

In our role as a city gas supplier, the basic mission of Tokyo Gas is to ensure security. Tokyo Gas recognizes that ensuring security is an extremely important issue that requires the direct involvement of our top management, and the company has been organizing our management structure accordingly. In order to further enhance security, in August 2006, we established the Safety Committee (Chair: President) to deliberate and coordinate on security measures. And in order to be able to actively respond to various issues, we established the Safety Promotion Committee (Chair: Chief Executive of Pipeline Network Div.) under the Safety Committee, as well as various task forces (permanently established).

In addition to these permanent committees, for serious gas-related incidents or accidents that require individual responses, temporary Security Measures Committees have been established under the Safety Committee to promptly respond to such situations.
In fiscal 2013, the Safety Committee set up seven Security Measures Committees and implemented measures to enhance gas security. A total of 386 confirmed gas-related accidents occurred during that year (314 at the consumer stage, 72 at the supply stage, and 0 at the production stage). We will work to reduce the number of such incidents.

Safety Management System

Regarding instructions from the Ministry of Economy, Trade and Industry on the fraudulent repair of gas leaks

It was discovered that our company had submitted a false report on October 2013 regarding gas leak repair to a gas pipeline buried under a road, stating that the gas leak had been wrongfully neglected. With this discovery, a study was conducted at 8,283 locations where repairs had been made based on the most recent gas leak inspection regulations. As a result, a total of 20 fraudulent repairs were found, with one of our employees, four gas construction companies, and seven construction groups found to have been involved in this fraud.

As a result, in December of the same year, we received a written reprimand from the Ministry of Economy, Trade and Industry. In addition, we received instructions to provide a report on efforts being implemented to prevent similar incidents from happening again, as well as to report on the situation regarding efforts to promote the exchange of aging gas pipelines.

Tokyo Gas takes this issue very seriously and will bolster company-wide efforts to prevent such a fraud from recurring. We will also be thorough in submitting reports as instructed by the Ministry. We deeply apologize to our customers for the inconvenience and worry that we have caused.

Efforts being made on this issue by the Tokyo Gas Group to prevent a recurrence

| (1) Swift implementation of various measures that place the highest importance on ensuring a level of quality that provides safety to our customers. | 1. Correct and revise the checking system for our operations  
2. Resolve the problems of inadequate rules and their insufficient enforcement  
3. Improve the lack of balance between the workload and manpower |
<table>
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<tr>
<td>(2) Promote the exchange of old gas pipes (branch pipe wrapped with asphalt jute).</td>
<td>We will increase the proportion of pipe conversion to polyethylene pipes by about 30% annually and work toward reducing the number of gas leak incidents.</td>
</tr>
<tr>
<td>(3) Strengthen the safety of the Group overall with involvement from the top management.</td>
<td>This incident is considered to be an issue for the entire Group. As such, we will organize the issues and carry out the action plan related to</td>
</tr>
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</table>
operations that involve the safety of the entire Group.

**First stage:** We will establish a Safety Enhancement and Review Division to conduct comprehensive inspections and take inventories on all operations related to safety, while also keeping in mind the varying perspectives of our customers and of people working at the site.

**Second stage:** Having conducted the comprehensive inspection activities above, the year 2014 will be established as the Year for Strengthening Safety, and will implement radical measures to strengthen safety.
Tokyo Gas is making a variety of efforts to reassure our customers on the safety of gas equipment and appliances, both from a hardware aspect and from the services we provide. These efforts include performing periodic safety inspections of gas equipment in accordance with Gas Business Act, as well as providing information and raising awareness of our customers and appliance manufacturers on the safe use of gas.

**Periodic Safety Inspections of Gas Equipment**

As required by the Gas Business Act, Tokyo Gas Group conducts periodic safety inspections of gas equipment and appliances for all customers once every three years, looking for gas leaks and checking air supply and exhaust equipment, as well as inspecting bath and water heaters installed indoors. To ensure that our customers feel safe in using gas, we have continued to review the contents of our inspections where necessary and enhanced the training of our inspectors. We have also been making efforts to not only maintain but also enhance the quality of our inspection work by providing questionnaires to customers after the inspection and verifying the results of the inspection by visiting the customer again at a later date.

**Periodic Safety Inspections of Large-scale Gas Facilities**

Customer-owned Gas Lines Maintenance Center and Local Branch Offices conduct periodic inspections (metro inspections) to ensure the safety of large-scale gas facilities, such as conducting leak tests and checking the operation of the shutoff system, in accordance with the Gas Business Act. In fiscal 2013, 22,000 buildings and 190,000 meters were inspected.

We also make every effort to ensure that our inspections cause the least amount of inconvenience to our customers, such as by putting up notifications on the upcoming inspection through the management company of the building approximately seven to ten days before the scheduled inspection date, and by confirming the date and time for the inspection in advance while considering the business hours of the tenants.

**Developing Intrinsic Product Safety**

In order to enhance the safety of gas appliances and to ensure the safety of our customers in using gas, Tokyo Gas has been promoting the development of equipment with high safety features, as well as strengthening our system for acquiring information on malfunctions, and conducting surveys on the condition of aging appliances.

We are continuing to promote the development of technologies to enhance safety, some of which have been commercialized. As part of these efforts, we developed a new type of CO sensor that can be installed in water heaters, which had previously proved difficult due to the nature of the device's functional restrictions, as well as also developed equipment to automatically signal the timing for maintenance inspections based on the number of years in usage.
Also, in order to enhance the level of safety of the entire gas industry, we are actively participating in the Study Group for the Development of Widespread Use of Advanced Safety Gas Appliances* that was established for industry-wide cross section discussions on advancements in the safety of gas appliances.

All gas stoves manufactured from April 2008 are called “Si” Sensor- Equipped Cooking Stoves and come with the following standard safety features: preventing cooking oil from overheating; automatically turning off the flame when the user forgets to do so (safety sensor); and ensuring flame failure safety.

At the same time, we have also worked on producing intrinsically safe appliances for small-size water heaters and CF bathtub water heaters. By installing additional safety functions to small-size water heaters in April 2008 and to CF bathtub water heaters in June 2008, we commercialized a line of appliances that are always able to operate safely regardless of improper usage or breakdown.

* Study Group for the Development of Widespread Use of Advanced Safety Gas Appliances
This is a study group established by organizations such as The Japan Gas Association and the Japan Industrial Association of Gas and Kerosene Appliances. The study group is comprised of gas providers, gas equipment manufacturers and consumer representatives, and works on the development and widespread use of gas appliances that consumers can use safely.

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**To Enhance the Safety of Gas Appliance Products**

The revised Consumer Product Safety Act came into effect in May 2007. In response, the Voluntary Action Plans of Tokyo Gas Concerning Product Safety was developed in order to serve our role as a company that sells, repairs, and installs home gas appliances by ensuring product safety, while also developing a culture of providing product safety.

In keeping with this Action Plan, we are working to cultivate a culture of ensuring the safety of gas appliance products, as well as providing a level of assurance and enhanced security that meet the needs and expectations of society toward our company. Furthermore, we plan to offer a website page entitled "important notices on home gas appliances" under the "notice" tab of the Press Release section, where customers can acquire timely and accurate information on the correct use of gas appliances, in addition to viewing notices on recalls and defects.

We will continue to place importance on our communications with our customers based on the core values of "Safety, Security, and Reliability." Moreover, the entire Tokyo Gas Group will work together to act swiftly and appropriately to further enhance the safety and quality of gas appliances.

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**Voluntary Action Plans of Tokyo Gas Concerning Product Safety**
*(established November 7, 2007)*

Tokyo Gas defines the following Voluntary Action Plans to not only ensure product safety but also to establish a culture of product safety, thereby strengthening our group values of "Safety, Security, and Reliability," and supporting our role as a company that sells, repairs, and installs home gas appliances.

1. **Compliance with laws**
   We shall comply with laws and regulations concerning product safety, formulate in-house voluntary standards for repair and installation work, and strive to ensure product safety.

2. **Establishment of a product safety promotion system**
   We shall improve our company’s product safety promotion system to ensure product safety.

3. **Risk reduction of product-related accidents**
   We shall contribute toward reducing the risk of product-related accidents by sending feedback
on product-related accidents and problems that come to our attention to the manufacturers and importers of gas appliances.

4. **System for collecting and transmitting information on product-related accidents**
   If we learn of a product-related accident, the information shall be promptly forwarded not only to senior management, but also to related departments in the company, as well as to the manufacturers and importing companies.

5. **Maintenance and enhancement of product safety**
   We shall promote awareness and disseminate information to our customers on the proper use of gas products, provide follow-up to questions from customers on product safety, and commit to the cultivation of a culture of product safety.

6. **Cooperation with manufacturers and importers**
   When manufacturers or importers recover products due to recalls or other reasons, we shall cooperate with them to facilitate smooth product recovery.

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**Promoting a Switch to Safe Appliances**

Since January 2007, we have been working to promote the switchover to safe appliances. For example, by sending direct mails or explaining the benefits of a switchover during periodic safety inspections of gas equipment, we have been approaching our customers who have water heaters and bathtub water heaters that are not equipped with incomplete combustion avoidance devices to make the switchover as soon as possible. In fiscal 2013, we also continued to promote the switchover to safe appliances from the following devices that are not equipped with incomplete combustion avoidance devices: small water heaters, wire mesh stoves, conventional flue type water and bath water heaters, and forced exhaust type water heaters (with downdraft diverters). As a result, the number of target appliances decreased from about 160,000 units under our company's control at the launch of the initiative, to 26,647 units at the end of March 2014. We will continue to implement these switchover measures and work to steadily improve safety, thus ensuring that our customers will feel secure in using their gas appliances.

**Progress in the Switchover to Safe Appliances**

<table>
<thead>
<tr>
<th>Air supply &amp; exhaust method</th>
<th>Target appliances</th>
<th>Target number of units at the launch of the initiative (units)</th>
<th>Number of units at the end of FY2013 (units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open-type gas appliances</td>
<td>Small water heaters</td>
<td>37,000</td>
<td>3,207</td>
</tr>
<tr>
<td></td>
<td>Wire mesh stove</td>
<td>4,200</td>
<td>619</td>
</tr>
<tr>
<td>Semi-closed-type gas appliances</td>
<td>Conventional flue type water heaters &amp; bath water heaters / forced exhaust type water heaters (with downdraft diverters)</td>
<td>120,000</td>
<td>22,821</td>
</tr>
</tbody>
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**Enhancing the Quality of House Pipe Construction Work and Transmitting Know-how to the Next Generation**

Tokyo Gas not only delivers on convenient usage of gas appliances, but also provides further "Safety, Security, and Reliability" to our customers. As part of these efforts, we offer an "Exhibition of Technical Skills" hosted once every three years and an "Engineering Presentation" hosted once very two years, along with other events, with the purpose of enhancing the quality of construction work inside our house pipes and to transmit our know-how to the next
generation of workers.
In the event "Exhibition of Technical Skills," representative groups from our company, Tokyo Gas Lifeval, and the entire Tokyo Gas Group (GASTIS) motivate each other to further boost their level of technical skills. These programs not only help to enhance the skills of the workers, but also to transmit such knowhow to the next generation.

Scenes from the Exhibition of Technical Skills
Customer-oriented CS Mindset

In order to continue to be a company chosen by our customers, we place importance not only on the products we provide to our customers, but on whether or not we provide satisfaction to them as well. Based on this concept, the basic stance of the Tokyo Gas Group has been stipulated under the CS Mindset, which is clarified in Our Code of Conduct. The CS Mindset serves as the policy on which we base our standard of judgment and our actions. We will continue to ensure that all individuals in our Tokyo Gas Group are thoroughly aware of this CS Mindset, thus working to create a corporate group where the customer comes first.

Representation of the CS Mindset

Structure of CS Promotion

We receive opinions and requests from our customers through calls to our Customer Center, through the Internet, or from customer satisfaction surveys. These "voices of our customers" are shared within the company all the way up to the top management, and are being actively utilized to improve our daily activities and to enhance the quality of our products and services.
Customer Satisfaction Promotion Committee

CS improvement is considered an important issue in our management, and as such, the company has been hosting the Customer Satisfaction Promotion Committee since fiscal 2004, composed of the members of the Corporate Executive Meeting with the President serving as the Chairperson. This Committee deliberates on issues that are difficult to be resolved by the on-site locations and departments themselves, as well as other issues that need to be considered by the company as a whole. Furthermore, a CS Improvement Promotion Subcommittee has also been established, composed of leaders of the departments that come into heavy contact with customers, in order to promote a variety of programs to enhance customer satisfaction.

Customer Satisfaction Promotion Committee Chairperson’s Award

In order to develop personnel and a corporate culture within the Tokyo Gas Group that place our customers first, we present the "Customer Satisfaction Promotion Committee Chairperson’s Award" to the organization that has excelled in their creative efforts to further improve customer satisfaction. The recognized efforts are then shared within and implemented horizontally across the Tokyo Gas Group.

Implementation of CS Meeting in Each Department

In order to listen to our customers and swiftly respond to their needs, each business department and group holds various CS meetings for the following purposes: to gain an understanding of the current situation via customer feedback; to deliberate and implement business improvement plans; and to discuss and share information on CS programs.
CS Survey

In order to respond to the diverse needs of our customers, we conduct CS surveys at major business activities that come into contact with customers to gain an understanding of the customers’ level of satisfaction with our services.

Survey Outline

<table>
<thead>
<tr>
<th>Target business operations</th>
<th>Regular safety inspections of gas facilities; opening gas (operation to open the gas line); TES inspection (fee based); TES usage explanations; appliance repair; sales and installation; meter replacement (replacing meters whose validation period has expired), etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey method</td>
<td>Sending the survey by postal mail</td>
</tr>
<tr>
<td>Survey details</td>
<td>Service quality and overall satisfaction</td>
</tr>
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</table>

Efforts Taken by the Customer Center

The Customer Center serves as the point of contact for a wide range of issues associated with Tokyo Gas, and receives about 5 million telephone calls per year. There are three Customer Center locations staffed by about 1,000 expert people. In order to answer inquiries from our customers as swiftly and as accurately as possible, we have created an optimum shift scheduling system based on a detailed forecast of calls we may receive, and a system for managing the required personnel. We have continued our efforts to further enhance our arrangements for responding to our customers, such as by developing a system for answering specialized inquiries, including technical questions on construction work and appliances.
Concept of Social Action Programs

Tokyo Gas works together with local communities to implement activities based on the guideline below for the purpose of creating a sustainable society.

1. Basic Policy
Working towards the realization of a society that is pleasant and comfortable to live in, at Tokyo Gas we work together with local communities to engage in a variety of activities that only we can do, including efforts to resolve issues related to our daily lives.

2. Purpose of Activities
We seek to contribute to the development of a sustainable society, and at the same time, strengthen links with the local communities and become a trusted and dependable company.

3. Areas for Activities
Under the activity keywords of safe, secure, environment and enriched lifestyle, we focus on the development of the next generation as well as the support of the elderly, in cooperation with local communities.

(1) Building communities and a way of life that is safe and secure
(2) Building a society and a way of life that is good for the environment
(3) Enriching our life and culture

Building Communities and a Way of Life That is Safe and Secure

We are working together with the local community to build neighborhoods where people can live with a sense of safety and security, with a focus on preventing disaster.

Promoting countermeasures for earthquakes at local disaster prevention events
Local branch offices, in addition to our corporate museums, provide and share information on disaster countermeasures at events to promote disaster prevention so that we will be able to coordinate smoothly with the local administration and community in times of disasters.

For example, at a local training event for disaster prevention hosted by the regional administration, we explained how to reset the home gas meter on after it had been shut off following an earthquake of a seismic intensity of 5-upper or more. We provided other useful information to enhance safety in the daily lives of our customers.
Also, starting in 2006 we developed our own disaster training program for families with the aim of enhancing disaster prevention abilities of the local community. The program entitled “Iza! Kaeru Caravan!” is being jointly operated with Plus Arts (NPO), and is being offered at the Gas Science Museum and the Energy & Earth Exploratorium*.

*The Energy & Earth Exploratorium closed as of March 16, 2014.

Building a Society and a Way of Life That is Good for the Environment

As an energy company, we seek ways to enhance awareness about energy and the environment, and offer a variety of methods to conserve energy in our daily lives in order to help resolve the Earth’s environmental issues.

Making contributions toward the next generation with activities to support school education

Tokyo Gas educates children, who are our future, about the importance of energy and our environment, and helps nurture their fortitude to live, which is at the core of school education.

We offer training to teachers interested in energy and environmental education, hosting visits to our sites that can be incorporated into the teacher's educational plan, and offer special classes taught by our employees. These programs have been very well received among those involved in children's education. In fiscal 2013, we hosted 59 training programs, attended by 1,123 teachers. We also conducted 1,317 special classes, with 39,357 participants. Additionally, we offer an educational website (“Odoroki! Naruhodo! Gas World!”) that provides families with a fun way to learn about energy and the environment, as well as various educational materials that offer explanations on the topic of gas in an easy to understand manner. These efforts help to familiarize participants with energy and our environment.

Our corporate museum, the Gas Science Museum, is a facility where visitors can have fun learning about energy and the environment. The Museum is involved in providing educational support, such as accepting field trips and offering workshops, which can be used as a place for off-campus learning. The Museum had 254,383 visitors in fiscal 2013.

Enriching Our Life and Culture

We are offering a variety of programs with the participation of the local community on ways to use energy more efficiently and continue to enjoy a prosperous life, while taking into consideration the issues of an aging society and a declining birthrate.
As a company that has long dealt with "fire," we are actively involved in programs to promote the value of fire and the benefits of fire within our lifestyles.

Our cooking class, which celebrated its 100th anniversary in 2013, offers a variety of classes that teach the appeal of cooking with fire. These classes include "Kids in the Kitchen," a program that teaches children to be able to cook for themselves and to use their five senses in the process, and "La Cucina Espressa," which offers recipes where multiple dishes can be simultaneously prepared quickly, as can only be possible when cooking with gas. Moreover, all of these cooking classes incorporate "eco-cooking," which promotes being environmentally-conscious in our approach to our eating habits. We will continue to offer other unique and attractive classes in the future.

Since fiscal 2012, we have been actively promoting our participation-type "Fire Education" program, "HIIKU." This program teaches participants on the history of fire, how fire is connected to our livelihood, and the correct ways of using fire. It also provides an opportunity to experience the benefits of fire, which helps to develop the ability to survive and find ways to enrich our lives - abilities that will be useful in times of disasters. Other programs that are popular include: making fire with ancient methods to learn the difficulty of creating an energy source; learning the correct way to light a match; and HIIKU in times of disaster.

* "Kids in the Kitchen," "La Cucina Espressa," and "eco-cooking" are registered trademarks of Tokyo Gas Co., Ltd.
Regional Contribution Activities - Ichthys Project

Tokyo Gas participates in the Ichthys Project in Australia, led by Operator, the International Petroleum Exploration Corporation (INPEX). The project is being progressed with thorough care to prevent any adverse effects on the beautiful natural environment or on the traditional cultures of the local indigenous people.

In this regard, the project is engaged in many activities that focus on education, environmental preservation and indigenous social aspects. It endeavors to make social contributions to the entire region such as by supporting the provision of employment opportunities for Darwin area indigenous youth, who face high rate of unemployment, by helping to build the Larrakia Trade Training Centre, where students can learn specialized skills such as electrical work and automobile mechanics.
**Concept for Supporting Volunteer Activities**

We provide a variety of assistance to volunteers (providing opportunities, skills, and information for volunteering), based on the idea that, aside from the personal growth gained from the work involved, volunteering gives employees a chance to develop their mind, enrich their human qualities, and help them grow as people.

**Providing Volunteering Opportunities**

We provide and plan a variety of volunteer opportunities for those who are interested in volunteering but cannot find the opportunity to get involved.

- **Disaster recovery efforts: earthquake relief volunteers**
  In order to help areas affected by the Great East Japan Earthquake, every year, more than 200 Tokyo Gas employees and their families participate in volunteer activities, visiting disaster-stricken areas twice a year (spring and fall). In fiscal 2013, about 240 volunteers helped to restore farmland in Higashi Matsushima City, Miyagi prefecture. We will continue to provide high quality and quantity assistance in line with the needs of disaster-stricken areas.

**Providing Information**

We provide information on volunteering through wall posted newspapers and other methods to motivate our employees to volunteer.

- **Issuance of "Join us!"**
  "Join us!" is a wall newspaper issued four times a year that provides employees within the Tokyo Gas Group information related to volunteering.
  It introduces topics such as independent volunteer activities conducted by individual Tokyo Gas employees, social contribution activities that are being practiced at the workplace, and the voices of people who work at places such as facilities for the elderly and disabled. The objective of this newspaper is to inform Tokyo Gas employees about social issues, the current situation, and details of various volunteer activities so that they themselves will feel motivated to participate as volunteers.
The Tokyo Gas Group establishes policies on human rights for Our Code of Conduct, which is based on our Corporate Action Philosophy, as follows.

1. We will respect human rights, and will not discriminate or engage in harassment on grounds of race, religion, gender, age, descent, nationality, disability, academic qualifications, and social standing.
2. Regardless of differences in employment status and gender as well as job titles, we will respect the position of others and treat everyone fairly.
3. We will not act in any way that may cause affront to the dignity of individuals, such as through sexual harassment or power harassment, and will not allow such acts to be ignored.

The concept of human rights includes the basic human rights laid out not only in the Constitution of Japan and the Labor Standards Act, but also in the Universal Declaration of Human Rights. It also includes the basic rights in labor (freedom of association, rights to collective bargaining, elimination of forced labor, abolition of child labor, elimination of discrimination) stipulated in the ILO International Labor Standards, as well as the local laws, culture, and practices of the countries in which our offices are located.
Tokyo Gas believes that the starting point for advancing human rights is in practicing a fair selection process for its personnel and in creating a vibrant workplace that is free from discrimination, and is implementing various measures to this effect. We believe that awareness of respect for human rights is the foundation that allows our employees to exert their full potential and build smooth relationships with our stakeholders. To this end, we are continuing to make efforts to provide training on raising awareness of human rights for all employees of Tokyo Gas and our subsidiaries and affiliates, as well as Tokyo Gas LIFEVAL, while taking aspects of ISO26000 into consideration.

Promotion Structure

Human Rights Promotion System Chart

Human rights advisory service desk

Advisory service desks for communication have been established both inside and outside of the company to respond to issues concerning communications within the workplace. A total of 44 consultations were received in fiscal 2013. We make our best effort to conduct face-to-face consultation interviews wherever possible under the precondition of protecting those seeking council, while working together and supporting the company to create a work environment where workers can feel safe and comfortable.

Groups in Charge of Advisory Service Desk

<table>
<thead>
<tr>
<th>Internal service desk</th>
<th>Communication Support Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>External service desk</td>
<td>External consultants</td>
</tr>
</tbody>
</table>
Tokyo Gas conducts a variety of training programs, from level-specific training within a group, to human rights training within a district sponsored by the workplace, as shown below. We not only learn about antidiscrimination and other numerous human rights issues, but also gain awareness on the various human rights issues surrounding the company. We discuss the company’s social responsibility and human rights, as well as stakeholder management and other diverse themes and issues, from the varying perspectives of society, the company, and each and every person that works within the company, for the purpose of reinforcing our awareness on human rights.

Our common theme is "to create a vibrant workplace." And one of the key issues for realizing this is to create a work environment where each employee is able to bring out their full potential. The training programs, including the level-specific one-day training course, are designed to incorporate many participation-type training activities, and place importance on having participants make realizations on their own. We also focus on providing programs themed toward workplace communication that include various case studies of harassment, such as sexual harassment and power harassment, and that include training on assertion and stress management in the curriculum.

**FY2013 Status of Implementation**

<table>
<thead>
<tr>
<th>Type</th>
<th>Classification</th>
<th>Overview</th>
<th>Number of participants (people)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>(1) Level-specific training</td>
<td>Training at four levels: upon entering the company, during the third year, and during qualification promotions (two levels)</td>
<td>FY2012 1,533  FY2013 1,531</td>
</tr>
<tr>
<td></td>
<td>(2) Training programs &amp; follow-up for human rights promotion leaders</td>
<td>One-year human rights training for employees recommended by their workplace</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3) Planning-type training</td>
<td>Human rights study sessions Training to create a vibrant workplace, etc.</td>
<td>FY2012 350  FY2013 390</td>
</tr>
<tr>
<td></td>
<td>(4) Training assistance for affiliates and subsidiaries</td>
<td>Training implemented upon direct request to the secretariat (order-made training)</td>
<td>FY2012 637  FY2013 538</td>
</tr>
<tr>
<td></td>
<td>(5) Dispatch of lecturers to outside workshops</td>
<td>Training by request from corporate administrative bodies among others, including the Industrial Federation for Human Rights, Tokyo.</td>
<td>FY2012 366  FY2013 295</td>
</tr>
<tr>
<td>By workplace</td>
<td>Human rights training at branch offices</td>
<td>Themed training by workplace</td>
<td>FY2012 7,136  FY2013 7,187</td>
</tr>
</tbody>
</table>
Basic Policies on Human Resources

Tokyo Gas implements various personnel policies under the belief that the vitality of the company is dependent on its people, and that company growth cannot be achieved without the growth of its personnel. Our system of compensation is designed to reflect the performance of each employee over a certain period of time, so that each and every employee who has contributed to the business performance of our company - through their efforts to enhance their own capabilities and their daily hard work - will receive a sense of satisfaction in knowing that their efforts were worthwhile. By offering varied benefits and compensation, we aim to enhance the motivation and satisfaction of our employees, thereby creating an organization that is full of vitality.

Overview of Employees

As of March 2014, there were a total of 8,002 employees (6,692 men, 1,310 women), with an average age of 45.0 years.

Average Age by Gender (as of March 31, 2014)

Data is for Tokyo Gas employees on a non-consolidated basis.
Length of Years of Employment by Gender (as of March 31, 2014)

Data is for Tokyo Gas employees on a non-consolidated basis.

Percentage of People Leaving the Company (as of March 31, 2014)

\[
\text{Percentage} = \frac{\text{Number of people leaving for personal reasons}}{\text{Number of employees at the beginning of the term}} = \frac{61}{8,211} = 0.74\%
\]
Starting April 2013, Tokyo Gas implemented a multiple-track personnel management system to further promote personnel development by better appraising the distinct traits and strengths of each and every employee, and maximizing the results achieved by the organization.

Overview of the Multi-track (contribution type) Personnel Management System

<table>
<thead>
<tr>
<th>Role</th>
<th>Expert</th>
<th>General</th>
<th>Business Fellow</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is aimed for</td>
<td>Supervises or supports duties at on-site locations of the Tokyo Gas Group by utilizing the skills, techniques, knowledge, and network acquired through experience in a specialized work field.</td>
<td>Promotes the business of the Tokyo Gas Group from the perspective of what is best for the group overall, while strengthening their field of expertise based on the skills, techniques, and knowledge they have acquired from various work experience.</td>
<td>Promote improvement in the functions of solutions and innovation of the Tokyo Gas Group through their high level of skills, techniques, and knowledge in a specialized field.</td>
</tr>
</tbody>
</table>

Goal Management System

In order to ensure that employees understand the goals of the company and of their division as well as their own roles and responsibilities, and to ensure that employees can plan their own growth, Tokyo Gas implements a goal management system for managing individual employee goals and their level of contribution to the organization.

360-degree Appraisal System

In order to make further improvements to not only the business results, but also the method of conducting business and actions within the workplace, we implemented a 360-degree appraisal system where the daily actions of employees are appraised not only by their superiors, but also by their colleagues of equal standing as well as their subordinates. Through these actions, we aim to not only promote the growth of employees, but also to heighten their sense of justification in the results of their appraisal.
Personnel Development Systems

Basic concept
Tokyo Gas develops the skills of our employees in recognition of the fact that people experience growth through their jobs. To this end, we focus on providing instructive training from superiors on the job (OJT), effectively combined with education and training (Off-JT) programs, self-development programs, as well as workplace transfers and rotations. We also provide an open recruitment system and conduct interviews on career plans so that employees can find self-fulfillment and a sense of satisfaction in their work.

Education and Training Structure
The Human Resources Development Program, which is our company's framework for the development of human resources, is composed of two pillars of development; the development of foundational and common skills as business people, and the development of a broad range of expertise. By expanding, enhancing, and increasing the skills required of the contribution-type employee in the multi-track personnel management system, we aim to develop employees that can think for themselves, are able to take action themselves while drawing people in as they go, and can adapt flexibly to changes in the business environment. Thus, we aim to maximize the distinct traits and strengths of each and every employee, enhancing productivity through their individual growth, and thereby developing employees who will take an active role as the driving force of the Tokyo Gas Group.

Human Resources Development Program Training Structure

<table>
<thead>
<tr>
<th>Training for expert type employees</th>
<th>Training for general &amp; business fellow type employees</th>
<th>Training for all types of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic training</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entry year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expert-type new employee training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic training for expert-type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General &amp; business fellow type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>new employee training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational transfers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internships</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level-specific training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Next-generational leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level-specific training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovations training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global business training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study programs (domestic &amp; overseas)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Challenge programs &amp; distance learning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entry level</td>
<td>Staff position</td>
<td>Leader position</td>
</tr>
<tr>
<td>Staff position</td>
<td></td>
<td>Managerial position</td>
</tr>
<tr>
<td>Leader position</td>
<td></td>
<td>Directorial position</td>
</tr>
<tr>
<td>Managerial position</td>
<td></td>
<td>Executive position</td>
</tr>
<tr>
<td>Directorial position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive position</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Transfers and Rotations

Allocating the right person to the right position
We aim to allocate the right person to the right position so that our employees will feel a sense of challenge and satisfaction in their work. Every year, employees have an interview with their superiors regarding their career plan. Their self-evaluation along with the evaluation by their superiors are registered into the personnel system to be utilized for relocation plans and further career development.

Open recruitment system and free agent system
As a system to supplement the regular method of personnel transfers, we offer an open recruitment system where employees can raise their hands for positions in new business projects among other opportunities, as well as an FA (free agent) system where employees can challenge themselves by applying for positions that they wish to be considered for.
Active Promotion and Development of Women and Youthful Employees

Tokyo Gas strives to create an energetic workplace where each and every employee is able to bring out his/her full potential, and where the distinct characteristics of each individual are respected. We also actively provide a broad range of opportunities to foster and promote women and youthful employees into upper-level positions. We also make sure that each and every employee is afforded fair treatment that reflects their abilities and performance, regardless of gender or educational background.

Ratio of Women in Management (as of April 1, 2014)

Reemployment System (Second Life Support System)

The mandatory retirement age at Tokyo Gas is 60. However, we implemented the Second Life Support System, which is a system for continued employment, before enforcement of the revised Law Concerning the Stabilization of Employment of Older Persons. This system has been providing appropriate employment opportunities to employees who have both the ability and motivation to continue working. Moreover, with enforcement of the above revised law, we clarified the standards for realizing detailed and objective recruitment and contract renewals, and have also signed a labor-management agreement.

Reemployment after Mandatory Retirement (FY2009 - FY2013)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number mandatorily retired (percent ratio)</td>
<td>59 people (22.6%)</td>
<td>59 people (26.0%)</td>
<td>48 people (22.9%)</td>
<td>52 people (22.7%)</td>
<td>64 people (18.8%)</td>
</tr>
<tr>
<td>Number reemployed (percent ratio)</td>
<td>176 people (67.4%)</td>
<td>148 people (65.2%)</td>
<td>121 people (57.6%)</td>
<td>157 people (68.6%)</td>
<td>239 people (70.3%)</td>
</tr>
<tr>
<td>Tokyo Gas*1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries and affiliates, etc.</td>
<td>26 people (10.0%)</td>
<td>20 people (8.8%)</td>
<td>41 people (19.5%)</td>
<td>20 people (8.7%)</td>
<td>37 people (10.9%)</td>
</tr>
<tr>
<td>Early retirement*2</td>
<td>30 people</td>
<td>21 people</td>
<td>21 people</td>
<td>19 people</td>
<td>21 people</td>
</tr>
</tbody>
</table>

*1 Number of people employed as senior contracted employees (special employees).
*2 Number of employees who utilized the early retirement system, which is one of the options available under the Second Life Support System.

Data is for Tokyo Gas employees on a non-consolidated basis.
Employment of People with Disabilities

At Tokyo Gas, people with disabilities work alongside our other employees and are performing a variety of duties. In order to further our efforts to employ people with disabilities, we are improving our facilities in accordance to the type and level of the disability, creating a work environment that is safe and comfortable, while also expanding the locations and scope of work opportunities for people with disabilities. As of April 2014, 147 people with disabilities were in our employment, which is 2.06% of total employees, achieving the statutory rate.

Lecture on promoting the active participation of diverse human resources

Tokyo Gas hosted a lecture on promoting the active participation of diverse human resources on October 2013. Our executive officer responsible for Personnel Dept. gave an explanation on the concept of diversity held by Tokyo Gas, followed by a lecture from Tsuneo Sasaki, the Special Adviser at Toray Corporate Business Research, Inc., on the theme of promoting active participation by diverse human resources. The lecture was attended by around 400 people, mainly those in management positions at Tokyo Gas and our subsidiaries and affiliates. The event served to heighten the consciousness of participants toward diversity, as well as deepen their understanding of the programs that are being implemented by our company.
Promoting Work-Life Balance

As one of the main pillars of our next-generation personnel system, Tokyo Gas is making efforts to strengthen our organization by striving to bring out the skills of each and every employee to their full potential. We will promote the type of management that makes the best use of their diverse characteristics and abilities, and create a workplace environment that is comfortable for both men and women, so that every employee is able to fulfill their roles and demonstrate their strengths.

Creating a workplace environment that allows for balance between work and childcare or nursing care

Tokyo Gas created a system that allows for longer leaves and shorter working hours in excess of what is mandated by law, so that our employees will have flexibility in choosing their style of work. For example, from April 2014, the period for child-rearing work has been extended from completion of the third year to the sixth year of elementary school. We also offer systems that allow employees to take a leave of absence for fertility treatments, to attend the school events of their children or grandchildren, or to provide nursing care to their family members. These systems are being widely used by our employees.

Major Systems and the Number of Users

<table>
<thead>
<tr>
<th>System</th>
<th>Details</th>
<th>Category</th>
<th>Number of Users (Fiscal Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Details</strong></td>
<td><strong>2009</strong></td>
</tr>
<tr>
<td>Child-rearing leave</td>
<td>Until the end of April immediately following the child's 3rd birthday</td>
<td>Number of users (persons)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rate of return to work (%)</td>
<td>100</td>
</tr>
<tr>
<td>Child-rearing work</td>
<td>During pregnancy and until the child completes his/her sixth year of</td>
<td><strong>Details</strong></td>
<td><strong>2009</strong></td>
</tr>
<tr>
<td></td>
<td>elementary school*</td>
<td></td>
<td>207</td>
</tr>
<tr>
<td>Nursing care leave</td>
<td>Up to 3 years for one relative within the second degree of kinship</td>
<td><strong>Details</strong></td>
<td><strong>2009</strong></td>
</tr>
<tr>
<td></td>
<td>requiring nursing care.</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Nursing care work</td>
<td>Up to 2 years for one relative within the second degree of kinship</td>
<td>Number of users (persons)</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>requiring nursing care.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flex-time system for nursing care is available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community service</td>
<td>Special leave (paid leave) of a maximum of 5 days within a year</td>
<td><strong>Details</strong></td>
<td><strong>2009</strong></td>
</tr>
<tr>
<td>leave</td>
<td></td>
<td></td>
<td>21</td>
</tr>
</tbody>
</table>
Refreshment system
Provided to employees who reach the age of 30, 35, 40, and 50. Provided with commemorative gifts and special leave (paid leave).

<table>
<thead>
<tr>
<th>Refreshment system</th>
<th>Provided to employees who reach the age of 30, 35, 40, and 50</th>
<th>637</th>
<th>685</th>
<th>657</th>
<th>651</th>
<th>631</th>
</tr>
</thead>
</table>

Leave for spouse's childbirth
Special leave (paid leave) totaling 5 days is provided when a spouse gives birth.

<table>
<thead>
<tr>
<th>Leave system to attend to spouse</th>
<th>When an employee's spouse is transferred overseas, he/she can receive up to 3 years of leave with the caveat that the employee live at the overseas location with the spouse. (New system: From April 2014)</th>
</tr>
</thead>
</table>

* Until March 31, 2013, the system was available up to the time when the child completed his/her 3rd year of elementary school. Data is for Tokyo Gas unconsolidated.

Hosting seminars related to work-life balance
Tokyo Gas offers seminars from various perspectives as part of our efforts to promote work-life balance. In fiscal 2013, we had a total of 257 participants. We will continue to promote our initiatives to become a strong and flexible company by having each of our employees fulfill their maximum potential.

Seminars offered in FY2013

<table>
<thead>
<tr>
<th>Month &amp; year</th>
<th>Category</th>
<th>Theme of the seminar</th>
<th>Targets</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2013</td>
<td>Improving productivity</td>
<td>Seminar for work/life harmony</td>
<td>Leaders at the workplace</td>
<td>129 persons</td>
</tr>
<tr>
<td>September 2013</td>
<td>Childcare</td>
<td>Seminar to think about work styles during childcare</td>
<td>Employees on childcare leave Employees involved in childcare while working, and their superiors</td>
<td>35 persons</td>
</tr>
<tr>
<td>October &amp; November</td>
<td>Nursing care</td>
<td>Seminar to support creating a balance between work and nursing care</td>
<td>All employees</td>
<td>75 persons</td>
</tr>
<tr>
<td>February &amp; March</td>
<td>Childcare</td>
<td>Seminar for persons taking childcare leave before returning to work</td>
<td>Employees on childcare leave who are scheduled to return to work from the next fiscal year, and their spouses</td>
<td>18 persons</td>
</tr>
</tbody>
</table>

Total number of participants of work-life-balance-related seminars held in FY 2013: 257 persons.

Data is for Tokyo Gas unconsolidated.

Seminar to think about work styles during childcare
Day for Leaving Work on Time

At Tokyo Gas, one day each month is designated as a day for employees to leave work on time. This day is designed to give employees a renewed awareness for striving to achieve their business goals within the allotted work hours, and provides an opportunity for them to take another look at their methods of working so that they can achieve maximum results within a limited period of time.

Employee Survey

Survey results

![Chart](chart.png)

We conduct surveys for all employees on a regular basis on the subjects of work, workplace, lifestyle, and other aspects, which is also linked to other initiatives such as our personnel system. The surveys have shown us that, in general, our employees are satisfied working for this company, and that they have a sense of motivation in fulfilling their duties.

Responding to the Jury Service System

Tokyo Gas believes that it is the social responsibility of the company to create a workplace environment where employees can feel at ease when participating in the jury system. Therefore, employees who have been selected as a juror candidate or juror are provided with special paid leave that is equal to the amount earned on their regular work days.
Tokyo Gas employees are members of the Tokyo Gas Labor Union in accordance with the union shop agreement*. The company and the union enjoy a healthy and positive relationship based on mutual understanding and trust. Both sides engage in frank and direct exchanges of opinions on issues regarding management and working conditions. We strive to improve the working environment for our non-full time workers as well, and have also signed an agreement on minimum wages.

* Union Shop Agreement
Under the agreement, employers agree to dismiss workers who do not become union members or who withdraw or are expelled from the union.
Basic Principles on Occupational Safety and Health Activities

Occupational safety and health, which protects the lives and health of workers, is the foundation of a company's existence and a social responsibility that companies must bear. We believe that the values of “Safety, Security, and Reliability” that we advocate as our corporate brand are accepted only when we continue to secure occupational safety and health. We consider occupational safety and health as one of the most important challenges of corporate management.

Tokyo Gas gives the highest priority to ensuring safety and health, and enforces compliance, including adherence to related laws and regulations, making every effort to eliminate the risk of disasters and accidents in its aim to be a company with an excellent safety and health record. We also strive to provide maximum support to our subsidiaries and affiliates and business partners in order to ensure the same level of safety and health throughout the Tokyo Gas Group.

Implementation of Safety and Health Education Programs (FY2013)

| Details |
|-------------------|-------------------|---------------------|
| Details | Period | Number of participants (people) |
| Level-specific training on safety & health and on safety planning | New employee training | April (1 time) | 265 |
| | Safety and health training for new managers | April (2 times) | 228 |
| Risk management seminar on safety and health (General Manager level) | | July | 353 |
| Foreman training (by law) | April - February (6 times) | 153 |
| Training for safety supervisors at the time of appointment (by law) | April | 48 |
| Hygiene supervisor training | May | 80 |
| Traffic safety and driving training (new drivers, people involved in accidents, etc.) | April - March | 880 |
| Safe driving with attendant instructors utilizing drive recorders | May - March | 619 |
| Seminars on promoting health | April - March (30 times) | 1,376 |

Maintaining and Enhancing Health

Tokyo Gas is strengthening primary prevention (occupational health activities) for the purpose of maintaining and enhancing the health of our employees. As part of this endeavor, we have established industrial health teams that visit employees' workplace to provide attentive services in health consultation, career ladder consultation, and health education. We have also been making thorough efforts to ensure that 100% of our employees receive health checkups, which is a prerequisite for healthcare, aiming at the early detection of diseases, the effective use of outside medical institutions, and the provision of follow-up observations for employees for whom concerns have been raised.

We will further strengthen the close coordination between the workplace and individual workers, and continue to make efforts toward disease prevention and maintaining the health of the mind and body. To realize this, we will continuously reinforce our efforts to provide mental and health consultations, improve the work environment, and prevent the recurrence of diseases, among other initiatives.
Approaches toward mental health

Of all the sick leave days taken, about 60% can be attributed to mental health diseases. As such, we will continue to take measures toward ensuring mental health such as:

1. Conducting stress checks for all employees using the Internet.
2. If requested, results of stress checks will be determined by the workplace and the results will be provided to managers.
3. Providing education at manager training seminars and other such opportunities on how to make the right approaches as a manager, and ways to improve the workplace environment, among others.
4. Regarding our system of consultation, in addition to having industrial physicians and nurses available, we have also contracted with outside organizations to create an environment where employees can easily reach out for help through telephone consultations and counseling.

Countermeasures taken against novel influenza strains

We are providing support for various activities based on requests from Headquarters for Measures Against Novel Influenza Strains, including:

1. Briefings to people in charge of the stronghold building on how to receive supplies in times of emergency.
2. Stockpiling and managing items to protect against infection and supplies in the event of quarantine.
3. Providing the latest information using the Intranet and by other means.
4. Conducting exercises on how to put on masks when returning home during a state of emergency, etc.

Preventing Work-related Injuries

Aiming to further strengthen occupational safety and health activities practiced at each workplace on a daily basis, in fiscal 2006, Tokyo Gas introduced the Occupational Safety and Health Management System (OSHMS), which is being operated company-wide to prevent industrial accidents. And by utilizing the risk assessment that was implemented as part of the above, we are also working to reduce the risk of accidents by treating them quantitatively.

We also provide education on occupational safety and health as well as safety considerations according to the rank of the employee, e.g., for new employees, new managers, employees in new posts, and top management of business offices. Additionally, we actively train legal administrators by offering a variety of in-house training programs, including Health Administrator training, training for Safety Administrator at the time of appointment, and foreman training.

We also strive to comply with related laws such as the Industrial Safety and Health Act, periodically confirming and checking the occupational safety and health systems across the company. The Occupational Safety and Health Management System (OSHMS), which is a system that ensures that all safety and health activities are based on the PDCA cycle, is now in its ninth year of operation, and we are making efforts to further boost our commitment to this system. In the common framework applied across the company, we strive to eliminate work-related injuries by urging employees at each workplace to take their own initiatives in keeping with the conditions of their workplace to prevent such injuries, and continue to make what improvements they can.
Structure of Safety and Health Management

Central Safety and Health Committee

- Declaration of company-wide policies on safety and health activities
- Secretariat (Personnel Department)

Divisional Safety and Health Committee (six divisions)

- Declaration of divisional policies on safety and health activities for each division
- Development of divisional safety and health activities plans

Overseer of Divisional Safety and Health

Safety and Health Committee at Each Office

- Plan and disseminate safety and health activities plans for each business office

General Safety and Health Administrator
Safety Administrator
Safety and Health Promoter / Health Promoter
Industrial Physician
Health Administrator
Safety Operation Administrator
Assistant Safety Operation Administrator
Transition in the Number of Work-related Injuries, Number of Traffic Accidents, Rate of Lost Work-time Injuries, and Severity Rate for Absence (Tokyo Gas employees and special employees)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-related injuries (number of cases)</td>
<td>17</td>
<td>22</td>
<td>18</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Traffic accidents (number of cases)</td>
<td>123</td>
<td>152</td>
<td>138</td>
<td>149</td>
<td>131*1</td>
</tr>
<tr>
<td>Rate of lost work-time</td>
<td>0.71</td>
<td>0.35</td>
<td>0.42</td>
<td>0.24</td>
<td>0.60</td>
</tr>
</tbody>
</table>
Transition in Rate of Lost Work-time Injuries*2

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>0.71</td>
</tr>
<tr>
<td>2010</td>
<td>0.35</td>
</tr>
<tr>
<td>2011</td>
<td>0.42</td>
</tr>
<tr>
<td>2012</td>
<td>0.24</td>
</tr>
<tr>
<td>2013</td>
<td>0.60</td>
</tr>
</tbody>
</table>

*2 Rate of lost work-time injuries: Rate of people taking work leave per 1 million total actual working hours

Transition in Severity Rate for Absence*3

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>0.009</td>
</tr>
<tr>
<td>2010</td>
<td>0.002</td>
</tr>
<tr>
<td>2011</td>
<td>0.008</td>
</tr>
<tr>
<td>2012</td>
<td>0.002</td>
</tr>
<tr>
<td>2013</td>
<td>0.005</td>
</tr>
</tbody>
</table>

*3 Severity rate for absence: Number of workdays lost as a result of accidents/injuries per 1,000 total actual working hours

*1 Breakdown of fiscal 2013 traffic accidents: Injury caused 14, injury suffered 7, property damage caused 30, property damage suffered 29, single-car accidents 51
Tokyo Gas seeks to provide its shareholders and investors with fair, timely and prompt disclosure of information. We disclose the information required by all relevant laws and ordinances, as well as a wide range of management information and other IR information to enable shareholders, investors and the general public to better understand our business activities.

Profit Distribution Policy

In "Challenge 2020 Vision", the Group plans to use the cash flow resulting from the steady execution of the plan for aggressive investment and financing in the total energy business that will support. In addition, the Group will appropriately distribute profits to its shareholders. Specifically, the Group has set a 60-percent target for the total payout ratio to shareholders (dividends plus treasury stock acquisition divided by consolidated net income).

Total payout ratio of year n = [(dividends from unappropriated profit in year n) + (amount of treasury stocks acquired in year n + 1)] / (consolidated net income in year n)

Based on this "total payout ratio" approach, dividends from fiscal 2012 are 10.0yen a year, up 1.0yen from fiscal 2011. In fiscal year 2013, we also bought back about 60 million shares for about 360 billion yen. As a result, the fiscal 2012 total payout ratio was 60.7%.

Total Payout ratio: 60.7% = (25.7billion yen : dividend in FY2012 + 36billion yen : Share buy back in FY2013) / 101.6billion yen : Net income in FY2012
Guidelines for Purchasing

Tokyo Gas established guidelines and basic requirements in 1992 to ensure open, fair, and equitable conduct in its purchasing activities. These guidelines and basic requirements have been made public through the website since July 2000. We will continue to win the trust of our business partners by putting the above guidelines and basic requirements into practice, and conducting business transactions that are based on being highly transparent, fair, and equitable, thus enhancing our brand value of “Safety, Security, and Reliability.”

Principle of Openness
It is the policy of the Company to purchase its goods and services both at home and abroad, insofar as the quality and the price of the goods to be purchased meet the Company's requirements. The simplest and most reasonable purchasing procedure possible will be followed.

Principles of Fairness and Equality
The Company will select the supplier fairly and equally on the basis of economic rationality, in consideration of its quality, price, reliability, delivery date, service, integrity with facilities, and the technological ability, management condition and actions for CSR comprehensively.

Principle of Mutual Trust
The mutual trust and co-prosperity of the Company and its suppliers shall be established through purchase transactions based on the principles of fairness and equality. We consider it is essential to have high-quality goods and services supplied steadily, on time, and at reasonable prices for the stable and economical supply of city gas. We believe that such supply should be based on mutual trust between the Company and its suppliers.

Consideration to CSR
(1) Practice of the Compliance
Both of the business partners must obey the Laws and Social norms about labor and human rights and corporate ethics.
(2) Environmental Conservation / Green Purchasing
The Company shall promote Green Purchasing towards realization of Recycling Society from the perspective of economy and environment.

Basic Requirements for purchasing
The Company will offer the Basic Requirements for purchasing which should be accomplished based on mutual understanding between buyer and seller. We would like to ask for your cooperation.

1. Quality Guarantee
Products to be supplied should meet the requirements for quality and performance set by Tokyo Gas, and such quality and performance must last for a certain period of time to be determined on the basis of what is considered reasonable. Furthermore, all products to be supplied must be superior in terms of shape, structure, operability and maintenance system support.

2. Reasonable Pricing
The prices of the products to be supplied must be reasonable in light of the quality and performance of the product, the specifications, terms of delivery, purchasing quantities, payment terms and conditions, and the trend in market prices.

3. Delivery on Time
Suppliers must observe the contractual time of delivery specified by the Company.

4. Securing Safety
Products to be supplied shall be absolutely safe in their use and operation.

5. Maintenance and Service
Suppliers of the goods and services to be purchased by the Company must be able to provide inspection, maintenance, and repair services quickly and properly when required by the Company. The goods and services should therefore be designed and supplied with this requirement in mind. Suppliers must be capable of providing necessary parts and technical assistance quickly for standard repairs or in the event of an emergency.

6. Actions for Corporate Social Responsibility ("CSR")
(1) Practice of the Compliance
   We should obey the antitrust law, the subcontractor law and all related laws. Furthermore, personal information, confidential information, intellectual property and the like must be protected properly.

(2) Environmental Conservation (Green Purchasing)
   We should take enough measures to soften Environmental Impact for not making negative effect on the environment in consideration of Environmental Issues. So, the Specifications of goods and services must be based on our "Green Purchasing Promoting Manual" and "Environmental Common Specifications."

(3) Risk Control
   The quick response to quality troubles and disasters is needed.

(4) Consideration on Labor and Human Rights
   We should obey the Laws and Norms about labor and human rights, and must take measures for providing safe and clean workplace environment.

Specifications for common environmental management
Specifications for common environmental management describe rules on construction and other work that has been commissioned by us. It stipulates issues such as compliance to laws, reduction of environmental burden, and considerations toward the safety and health of workers. Our business partners are shown this specification and requested to follow its contents in every job that we commission.

Efforts for Fair Transactions
In order to maintain and strengthen the trust of our customers, compliance must be observed not only by the Tokyo Gas Group, but also by our business partners. Tokyo Gas has therefore stipulated a set of rules to prevent compliance violations before they occur.

To avoid violation of compliance by our company
Our Code of Conduct contains provisions regarding transactions and relationships with our business partners, while the Guidelines for Purchasing clearly specifies compliance to guidelines with ethical
principles as well as laws and regulations. We use various opportunities to promote and enforce compliance.

- **To prevent violation of compliance by our business partners**

Our Basic Requirements for Purchasing request that our business partners also ensure their thorough compliance to laws and regulations. In order to clarify what constitutes a compliance violation, as well as to explain how to deal with such cases and to prevent recurrences, we developed the Guidelines for Dealing with Compliance Violations by Our Business Partners in 2004, and are dealing with such issues accordingly.

### Communication with Our Business Partners

In addition to guidelines and basic requirements for purchasing, we have disclosed on our website primary items to be procured and their method of procurement, in an effort to provide other companies with opportunities to do business with our company.

We also share information with our business partners through regular meetings and other occasions, and strive to maintain mutual communications. In addition, we conduct annual surveys on general information, compliance, and environmental efforts for each of our business partners. Upon review of the survey results, we discuss them with executives of our business partners when necessary.

### Results of the Survey on CSR Efforts Made by Our Business Partners

<table>
<thead>
<tr>
<th>Initiative</th>
<th>FY2013 (n=298 companies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarification of emphasis on CSR</td>
<td>94.3%</td>
</tr>
<tr>
<td>Emergency response in times of disaster</td>
<td>94.3%</td>
</tr>
<tr>
<td>Measures against industrial waste</td>
<td>98.3%</td>
</tr>
<tr>
<td>Reduction of CO2 emissions</td>
<td>84.9%</td>
</tr>
<tr>
<td>Promotion of environmental protection activities</td>
<td>84.2%</td>
</tr>
<tr>
<td>Green procurement</td>
<td>82.9%</td>
</tr>
<tr>
<td>Educational activities on environmental conservation</td>
<td>70.8%</td>
</tr>
</tbody>
</table>

**Note 1:** Percentage of respondents that takes measures to each issue shown above.

**Note 2:** Survey subjects are limited to business partners that obtained a transaction volume above a certain level with Tokyo Gas in the previous fiscal year.

### Initiatives for Green Purchasing

- **Green purchasing**

Green purchasing is the practice of giving preference to those that have lower environmental burden when purchasing items and services.

- **Policy on green purchasing**

Tokyo Gas has systematically practiced green purchasing since fiscal 1996, and established the Green Purchasing Guidelines in 2000.

We not only ask that consideration be given toward the environment in our Guidelines for Purchasing, but demand that the specifications are in line with our basic purchasing policies addressed in our Green Purchasing Promotion Guidebook.
We are also involved in various other measures to promote green purchasing.

**Example of promoting green purchasing through the electronic catalog purchasing system**

The electronic catalog we use has more than 100,000 registered items. We give preference to items that meet green purchasing requirements when selecting the main products featured in this electronic catalog, which include office supplies, fixtures, equipment, printed material, etc. Presently, we have achieved a green purchasing rate of about 80%.

This system gives high priority to items that meet green purchasing standards and makes it possible to select environmentally conscious products for purchase.

* Electronic catalog purchasing (our company's system name: PASPO) is a system that utilizes the Internet for ordering items conveniently and efficiently through an electronic catalog.