[English Translation Originally Issued in the Japanese Language]

Security Identification Code: 9531
May 29, 2015

Dear Shareholders:

NOTICE OF CONVOCATION OF THE 215th ANNUAL SHAREHOLDERS MEETING

We hereby would like to inform you of the 215th Annual Shareholders Meeting of Tokyo Gas Co., Ltd. (hereinafter, 'We' or 'the Company'), to be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights through either of the methods described in the next page. In that case, we respectfully ask you to exercise your voting rights after reading the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING starting from page 6.

Sincerely yours,

Michiaki Hirose
Representative Director, President
TOKYO GAS CO., LTD.
5-20, Kaigan 1-chome, Minato-ku, Tokyo

1. Date and Hour: 10 a.m., Friday, June 26, 2015

2. Place: Tokyo Gas Building 2F
5-20, Kaigan 1-chome, Minato-ku, Tokyo

3. Agenda:
   (1) Matters to report:
   'Business Report', 'Consolidated Financial Statements', 'Non-Consolidated Financial Statements', 'Independent Auditors' Report' and 'Audit Report' by the Audit & Supervisory Board on the Consolidated Financial Statements for the 215th fiscal year (from April 1, 2014 to March 31, 2015)
   (2) Matters to resolve:
   Proposal No. 1: Approval of the Appropriation of Surplus
   Proposal No. 2: Election of Eleven (11) Directors
   Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

4. Exercise of Voting Rights:

(1) When attending the meeting

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

(2) When not attending the meeting

1) When exercising voting rights by mail

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

Deadline: Form must be delivered by 5:30 p.m. on Thursday, June 25, 2015.

[Handing of voting rights]

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

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

Please access the WEB-SITE FOR EXERCISE OF VOTING RIGHTS (http://www.web54.net) through a personal computer or a cell-phone and enter your voting code and password shown in the enclosed CARD FOR EXERCISE OF VOTING RIGHTS. Then, following the instructions on screen, please enter your approval or disapproval for each proposal and submit them by 5:30 p.m. on Thursday, June 25, 2015.

If you exercise your voting rights via the Internet, please read 'Instruction for Exercise of Voting Rights via the Internet and other methods' starting from page 4.

5. Other Matters Determined by the Board of Directors Regarding the Convocation of the Annual Shareholders Meeting:

If duplicated votes are exercised both in Writing and via the Internet, the vote that arrives later shall be deemed valid.

If both of the duplicated votes arrive on the same date, the vote exercised via the Internet shall be deemed valid.

Note 1: For shareholders attending the Annual Shareholders Meeting, please do not mail the enclosed CARD FOR EXERCISE OF VOTING RIGHTS, but instead bring it to the meeting and present it at the reception desk upon arrival.

Note 2: Based on the Company's Articles of Incorporation, you can delegate voting rights to only one proxy who is one of the shareholders holding voting rights. If a proxy will attend the meeting, please present the document certifying authority of such proxy, and your and the proxy's CARD FOR EXERCISE OF VOTING RIGHTS at the reception desk.

Note 3: Please note that 'Consolidated Statement of Changes in Equity', 'Notes to the Consolidated Financial Statements', 'Non-Consolidated Statement of Changes in Equity' and 'Notes to the Non-Consolidated Financial Statements' are posted on the Company's website given below, pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation. Consolidated Financial Statements and Non-Consolidated Financial Statements provided in the ACCOMPANYING DOCUMENTS to this NOTICE OF CONVOCATION are a portion of the materials audited when the accounting auditor prepared the independent auditors' report.

Note 4: Please note that in the event there are any revisions to the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, the notice for such revisions will be posted on the Company's website as below.

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

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

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

- If you prefer to excise your voting rights via the Internet, please confirm the following before exercising your rights.

1. You can exercise your voting rights by accessing the dedicated voting website (http://www.web54.net) through a personal computer or a cell phone (i-mode, EZweb or Yahoo! Keitai). If you use a cell phone with a function to read barcodes, you can access by having your cell phone read the QR Code® on the right.
2. Please send your approval or disapproval for each proposal according to the instructions shown on screen by using your voting code and password shown in the enclosed CARD FOR EXERCISE OF VOTING RIGHTS.
3. Please exercise your voting rights via the Internet by **5:30 p.m. on Thursday, June 25, 2015**, the day before the Annual Shareholders Meeting.
   If you exercise your voting rights more than once, the vote exercised last shall be deemed valid; if you exercise your voting rights twice, once via the Internet and once by mail, the vote that arrives later shall be deemed valid; and if the vote via the Internet and the vote by mail arrive on the same date, the vote exercised via the Internet shall be deemed valid.
4. Telecommunication charges (telephone fees) may be required in some cases. Please note that such charges will be borne by the shareholders.

- System environment

1. When you use a PC, the following specifications should be satisfied.

(1) Screen resolution: 800×600 or higher

(2) Software:

1) Microsoft® Internet Explorer Ver. 5.01 SP2 or later version (essential)
2) Adobe® Acrobat® Reader® Ver. 4.0 or later version, or Adobe® Reader® Ver. 6.0 or later version

2. When you use a cell phone, the handset should support 128-bit SSL (Secure Socket Layer) encrypted communication.

- Inquiries

1. If you are not sure how to operate your PC or other device to exercise your voting rights:

Dedicated telephone line of the Stock Transfer Agency Department 'Web Support',
Sumitomo Mitsui Trust Bank, Limited
Telephone number in Japan: 0120-652-031 (9 a.m. to 9 p.m.)

2. Cases other than the above:

Stock Transfer Agency Department 'Clerical Center',
Sumitomo Mitsui Trust Bank, Limited
Telephone number in Japan: 0120-782-031 (9 a.m. to 5 p.m. every day except Saturdays, Sundays and national holidays)

* i-mode of NTT Docomo, Inc.; EZweb of KDDI Corporation; Yahoo! of Yahoo! Inc. of the U.S.; QR Code of Denso Wave Incorporated; Internet Explorer of Microsoft Corporation of the U.S.; and Adobe® Acrobat® Reader® and Adobe® Reader® of Adobe Systems Incorporated of the U.S. are trademarks, registered trademarks, products, or services of the respective companies mentioned.

To institutional investors:
In addition to exercising voting rights via the Internet as mentioned above, institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ Inc., in which Tokyo Stock Exchange, Inc. and other companies invest, only if they apply for the use of the platform in advance.

[English Translation Originally Issued in the Japanese Language]

REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING

Proposals and References

Proposal No. 1: Approval of the Appropriation of Surplus

We hereby would like to propose that surplus be appropriated in the manner described below:

Dividends from surplus (year-end dividends)

Based on the Company's 'Policy on Determination of Dividends from Surplus and Others' (see Page 36), the Company will pay a year-end dividend of ¥5 per share.
Together with the midterm dividend of ¥5 per share, the total dividend to be paid during the year is ¥10 per share.

(1) Allocation of dividend property and its aggregate amount:
Cash ¥5 per share
Aggregate amount of dividends ¥12,201,190,440

(2) Dividend effective date
Monday, June 29, 2015

Proposal No. 2: Election of Eleven (11) Directors

The term of office of all the current eleven (11) Directors ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of eleven (11) Directors.

The nominees for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
1	Tsuyoshi Okamoto (September 23, 1947) Number of the Company's shares held 220,000	April 1970 Joined the Company June 1997 Deputy Chief Executive of Northern Regional Business Div. June 1998 General Manager of Documents Dept. June 1999 Assistant to Director in charge of General Administration Dept. June 2002 Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div. April 2004 Senior Executive Officer and Chief Executive of Strategic Planning Div. June 2004 Director, Senior Executive Officer and Chief Executive of Strategic Planning Div. April 2006 Director, Senior Executive Officer, Chief Executive of Corporate Communication Div. and in charge of Compliance Dept. and Internal Audit Dept. April 2007 Representative Director, Executive Vice President and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept. April 2009 Representative Director, Executive Vice President and in charge of Personnel Dept., Secretary Dept., General Administration Dept. and Compliance Dept. April 2010 Representative Director, President April 2014 Director and Chairman of the Board (Current position)

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
2	Michiaki Hirose (October 2, 1950) Number of the Company's shares held 107,000	April 1974 Joined the Company April 2004 Executive Officer and Assistant to Chief Executive of Corporate Communication Div. April 2006 Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div. April 2007 Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance Dept., Accounting Dept. and Affiliated Companies Dept. April 2008 Senior Executive Officer and in charge of Corporate Planning Dept., Investor Relations Dept., Finance Dept., Accounting Dept., Affiliated Companies Dept. and Gas Industry Privatization Research Project Dept. April 2009 Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept. June 2009 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Corporate Communications Dept. and Affiliated Companies Dept. January 2010 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communications Dept. and Affiliated Companies Dept. June 2012 Representative Director, Executive Vice President and Chief Executive of Living Energy Div. April 2013 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div. April 2014 Representative Director, President (Current position)

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
3	Matsuhiko Hataba (September 7, 1952) Number of the Company's shares held 51,000	April 1976 Joined the Company April 2004 General Manager of Human Resources Planning Dept. of Strategic Planning Div. April 2006 Executive Officer and General Manager of Human Resources Dept. of Business Support Div. April 2007 Executive Officer and General Manager of Corporate Planning Dept. April 2009 Senior Executive Officer and Chief Executive of Living Energy Div. April 2012 Senior Executive Officer and in charge of Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept. June 2012 Director, Senior Executive Officer and in charge of Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept. April 2013 Director, Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept. April 2014 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div. (Current position)
4	Yutaka Kunigo (November 17, 1954) Number of the Company's shares held 45,030	April 1977 Joined the Company April 2004 General Manager of Gas Resources Dept. of Energy Resources Business Div. April 2007 Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div. April 2008 Executive Officer and General Manager of Industrial Gas Sales Dept. of Energy Solution Div. April 2010 Senior Executive Officer and Chief Executive of Energy Resources Business Div. April 2013 Senior Executive Officer and Chief Executive of Energy Production Div. June 2013 Director, Senior Executive Officer and Chief Executive of Energy Production Div. April 2014 Representative Director, Executive Vice President, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div. April 2015 Representative Director, Executive Vice President and in charge of Power Business Planning Dept., Business Restructuring Project Dept., Gas Business Deregulation Project Dept., and Sales Innovation Planning Dept. (Current position)

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
5	Masahiro Mikami (October 11, 1951) Number of the Company's shares held 69,000	April 1975 Joined the Company June 2003 General Manager of Saitama Branch of Customer Service Div. April 2004 General Manager of Saitama Branch of Corporate Communication Div. April 2005 General Manager of Secretary Dept. of Corporate Communication Div. April 2007 General Manager of Secretary Dept. April 2008 Executive Officer and General Manager of General Administration Dept. April 2011 Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., Major Site Development Dept. and General Administration Dept. April 2012 Senior Executive Officer and in charge of General Administration Dept., Corporate Communications Dept. and Environmental Affairs Dept. April 2013 Senior Executive Officer and in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept. and Compliance Dept. June 2013 Director, Senior Executive Officer and in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept. and Compliance Dept. April 2015 Director, Senior Executive Officer and in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Compliance Dept. and Internal Audit Dept. (Current position)

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
6	Hiroaki Kobayashi (July 15, 1954) Number of the Company's shares held 30,000	April 1980 Joined the Company April 2005 General Manager of Technology Development Dept. April 2006 General Manager of Product Development Dept. April 2007 Assistant to Chief Executive of Living Energy Div. October 2007 General Manager of Area Development Planning Dept. April 2008 General Manager of Customer Safety Dept. April 2009 Executive Officer and General Manager of Customer Safety Dept. April 2010 Executive Officer and General Manager of Residential Fuel Cell Business Development Dept. April 2012 Senior Executive Officer and Chief Executive of Technology Development Div. April 2013 Senior Executive Officer, Chief Executive of Technology Development Div. and in charge of Smart Energy Business Development Dept. June 2014 Director, Senior Executive Officer, Chief Executive of Technology Development Div. and in charge of Smart Energy Business Development Dept. April 2015 Director, Senior Executive Officer, Chief Executive of Pipeline Network Div. (Current position)
7	* Takashi Uchida (April 17, 1956) Number of the Company's shares held 25,000	April 1979 Joined the Company June 2006 General Manager of Pipeline Planning Dept. of Pipeline Network Div. April 2009 General Manager of Corporate Planning Dept. April 2010 Executive Officer and General Manager of Corporate Planning Dept. April 2012 Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., Compliance Dept. and Internal Audit Dept. April 2013 Senior Executive Officer and Chief Executive of Energy Resources Business Div. (Current position)

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
8	* Satoru Yasuoka (October 27, 1956) Number of the Company's shares held 47,000	April 1979 Joined the Company April 2006 General Manager of Industrial Gas Sales Dept. of Energy Sales and Service Div. April 2008 General Manager of Gas Resources Dept. of Energy Resources Business Div. April 2010 Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div. April 2011 Executive Officer and General Manager of Sales Marketing 1 Dept. of Living Corporate Sales and Services Div. April 2012 Senior Executive Officer and Chief Executive of Regional Development Marketing Div. April 2015 Senior Executive Officer and Chief Executive of IT Div. and in charge of Environmental Affairs Dept. and Fundamental Technology Dept. (Current position)
9	Yoshihiko Nakagaki (March 10, 1938) Number of the Company's shares held 3,000	April 1961 Joined Electric Power Development Co., Ltd. (J-POWER) June 1996 Director and Department Director of Corporate Planning Dept. of Electric Power Development Co., Ltd. (J-POWER) June 1998 Managing Director of Electric Power Development Co., Ltd. (J-POWER) June 2000 Vice President and Representative Director of Electric Power Development Co., Ltd. (J-POWER) June 2001 President and Representative Director of Electric Power Development Co., Ltd. (J-POWER) June 2009 Corporate Advisor of Electric Power Development Co., Ltd. (J-POWER) June 2012 Outside Director of the Company (Current position)
10	* Akihiko Ide (October 24, 1941) Number of the Company's shares held 3,000	April 1965 Joined Mitsubishi Metal Mining Company Ltd. (Current Mitsubishi Materials Corporation) June 1994 General Manager of General Affairs & Administration Dept. at Mitsubishi Materials Corporation June 1997 Director of Mitsubishi Materials Corporation June 2000 Managing Director of Mitsubishi Materials Corporation June 2002 Executive Vice President of Mitsubishi Materials Corporation June 2004 President of Mitsubishi Materials Corporation June 2010 Chairman of Mitsubishi Materials Corporation April 2015 Senior Advisor of Mitsubishi Materials Corporation (Current position)

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
11	* Yoshinori Katori (February 15, 1950) Number of the Company's shares held 1,000	April 1973 Joined Ministry of Foreign Affairs August 2004 Director-General of Consular Affairs Bureau August 2005 Press Secretary/Director-General for Press and Public Diplomacy of Minister's Secretariat August 2006 Ambassador Extraordinary and Plenipotentiary to the State of Israel October 2008 Ambassador for ASEAN, and Science and Technology Cooperation, Ministry of Foreign Affairs April 2010 Director-General of Foreign Service Training Institute, Ministry of Foreign Affairs March 2011 Ambassador Extraordinary and Plenipotentiary to the State of Indonesia October 2014 Retired from Ministry of Foreign Affairs (Current position)

Notes: 1. There is no special interest between the nominees for Directors and the Company.
2. The nominee with an asterisk is a nominee for Director to be newly elected.
3. The nominees for Outside Directors are: Mr. Yoshihiko Nakagaki, Mr. Akihiko Ide and Mr. Yoshinori Katori.
4. Reasons for our nomination of these three individuals as Outside Directors and the tenures as the Outside Directors of the Company are as follows:
(1) We propose that Mr. Yoshihiko Nakagaki be elected as an Outside Director so that the Company can continue to make use of the business management outlook he has acquired through various business development conducted at Electric Power Development Co., Ltd. (J-POWER), particularly with respect to electric power development and electricity wholesale supply, as well as his strong management capabilities with which he has implemented reforms in response to changes in the business environment. Mr. Nakagaki's tenure as an Outside Director of the Company will be three years as of the conclusion of this Annual Shareholders Meeting. The Company designates Mr. Nakagaki as the 'Independent Officer'(Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
(2) We propose that Mr. Akihiko Ide be elected as an Outside Director so that the Company can make use of the cosmopolitan outlook he has acquired in overseas businesses in the general materials industry, particularly in Asia, as well as the strong management capabilities and deep insight he has acquired through a wide range of business development in resource business and others. The Company will designate Mr. Ide as the 'Independent Officer'(Independent Director), who will not have conflicting interests with general shareholders, and notify him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
(3) Although Mr. Yoshinori Katori has not been involved in corporate management, we propose that he be elected as an Outside Director so that the Company can make use of the cosmopolitan and broad outlook and deep insight he has acquired over his many years as a diplomat. The Company will designate Mr. Katori as the 'Independent Officer'(Independent Director), who will not have conflicting interests with general shareholders, and notify him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
5. Mr. Akihiko Ide, now serving as Director of Mitsubishi Materials Corporation, plans to retire from his position in June 2015.

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

The term of office of the current Audit & Supervisory Board Manabu Fukumoto ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of one (1) Audit & Supervisory Board Member.

The nominee for Audit & Supervisory Board Member is as follows.

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

Name (Date of birth)	Career summary and position in the Company [Important concurrent posts]
* Hideaki Obana (March 26, 1955) Number of the Company's shares held 66,000	April 1978 Joined the Company July 2003 General Manager of Marketing Dept., Living Planning Div. April 2004 General Manager of Home Service Planning Dept. , Home Service Div. April 2005 General Manager of Kanagawa Branch, Corporate Communication Div. April 2007 General Manager of Corporate Communications Dept. April 2009 Executive Officer and General Manager of Corporate Communications Dept. April 2012 Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., Major Site Development Dept. April 2013 Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., Personnel Dept., Internal Audit Dept. March 2015 Retired as Senior Executive Officer (Current position)

Notes: 1. There is no special interest between the nominee for Audit & Supervisory Board Member and the Company.
2. The nominee with an asterisk is a nominee for Audit & Supervisory Board Member to be newly elected.

[English Translation of Business Report Originally Issued in Japanese Language]

<ACCOMPANYING DOCUMENTS>

Business Report

(From April 1, 2014 to March 31, 2015)

1. Matters Concerning Current State of Group Operations

(1) Business Conditions and Results

During this fiscal year, the Japanese economy continued to have an uncertain economic outlook due to such factors as the consumption tax hike and the devaluation of the yen and crude-oil prices. Nevertheless, against a backdrop of economic measures and monetary easing policies by the government and the Bank of Japan, signs of economic recovery could be observed such as improvements in corporate earnings and the employment situation.

Although we are entering a new phase in the energy environment, with factors such as the frameworks for electricity and gas system reforms generally taking shape and reviews into the energy mix now in full swing, the trends related to energy supply in the Tokyo Metropolitan Area continue to indicate a state of flux and uncertainty.

Under such economic circumstances and business environment, the Tokyo Gas Group proceeded with a group-wide initiative of 'Enhancing the LNG Value Chain.'

As a result, the sales volume of gas increased from the previous year due to an increase in demand for electric power generation. Moreover, net sales of the City Gas Sales segment grew as a result of an increase in gas unit prices due to raw material cost adjustment associated with the effect of yen depreciation and net sales of the Other Energies segment grew due to an increase in electric power sales. As a result, consolidated net sales rose by 8.5% year on year to ¥2,292,548 million.

In terms of operating expenses, despite further promotion of business efficiency and a doubling of efforts to restrict expenses as much as possible, there was an increase in gas raw material costs associated with the increase in the sales volume of gas and the effect of yen depreciation, and there was also an increase in expenses at the Other Energy segment due to the increase in electric power sales. As a result, operating expenses rose by 9.0% year on year to ¥2,120,794 million.

As a result of the above, operating income grew by 3.4% year on year to ¥171,753 million, and ordinary income rose by 5.4% year on year to ¥168,169 million. As a result of the recording of gain on sales of non-current assets of ¥6,134 million and gain on sales of investment securities of ¥5,062 million under extraordinary income, the recording of impairment loss on overseas upstream projects of ¥30,987 million, loss on reduction of non-current assets of ¥505 million, and loss on devaluation of investment securities of ¥622 million under extraordinary losses, and the recording of income taxes, net income decreased by 11.6% year on year to ¥95,828 million.

We would like to report the review of results by operating segment, as follows.

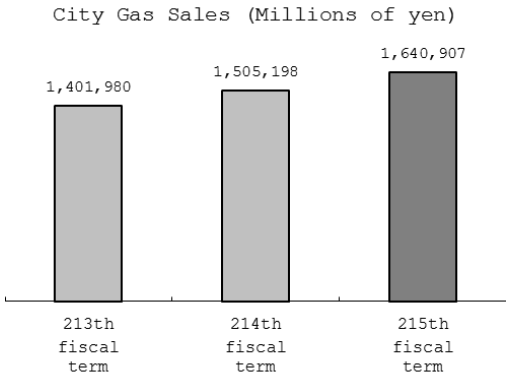
1) City Gas Sales

Total customer numbers rose by 152 thousand during this fiscal year, to 11,263 thousand as of March 31, 2015. Gas sales volume increased by 5.5% year on year to 15,540,518 thousand cubic meters.

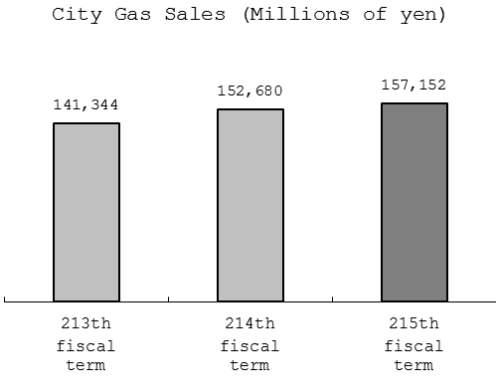
Of this aggregate volume, the volume of household-bound gas sold increased by 0.9% year on year to 3,482,030 thousand cubic meters, due mainly to an increase in the number of customers. The volume of business-bound gas sold (for commercial, public and medical uses) was down 3.3% year on year to 2,749,665 thousand cubic meters, with a decline in air-heating/cooling demand due to cooler temperature in the first half of the fiscal year and warmer temperature in the second half of the fiscal year, compared with the previous fiscal year. The volume of industry-bound gas sold increased by 12.5% year on year to 7,234,627 thousand cubic meters. This was due to an increase in demand for power generation, despite decreases in operations at some existing facilities. The Group's wholesale supplies to other gas suppliers rose by 3.3% year on year to 2,074,196 thousand cubic meters mainly due to higher wholesale customer demand.

Net sales of the City Gas Sales segment increased by 9.0% year on year to ¥1,640,907 million as a result of an increase in sales unit price due to gas rate adjustments as well as an increase in the gas sales volume.
Segment income increased by 2.9% year on year to ¥157,152 million.

Net sales



Segment income

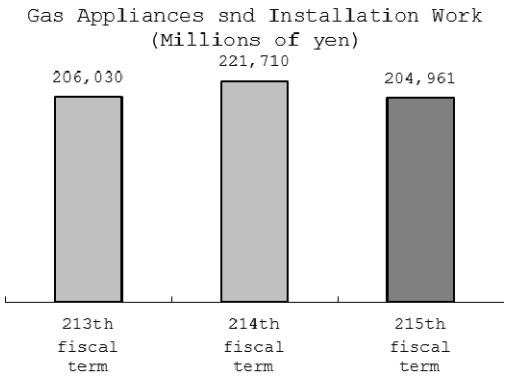


2) Gas Appliances and Installation Work

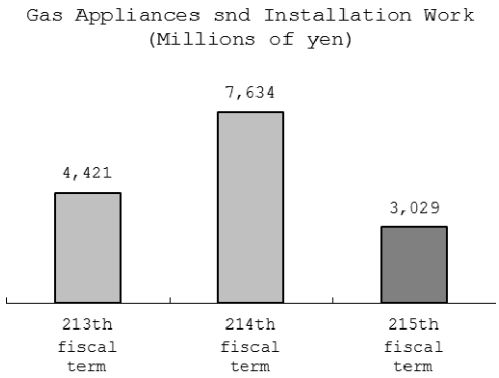
Although sales of installation work increased, sales of gas appliances fell. As a result, overall net sales decreased by 7.6% year on year to ¥204,961 million.

Segment income decreased by 60.3% year on year to ¥3,029 million.

Net sales



Segment income

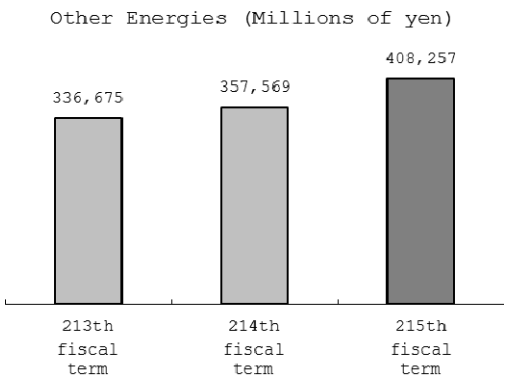


3) Other Energies

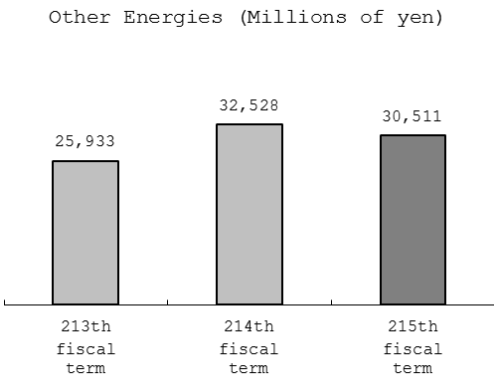
Net sales increased by 14.2% year on year to ¥408,257 million, as sales related to the electric power sales business increased.

Segment income decreased by 6.2% year on year to ¥30,511 million due to an increase in operating expenses.

Net sales



Segment income

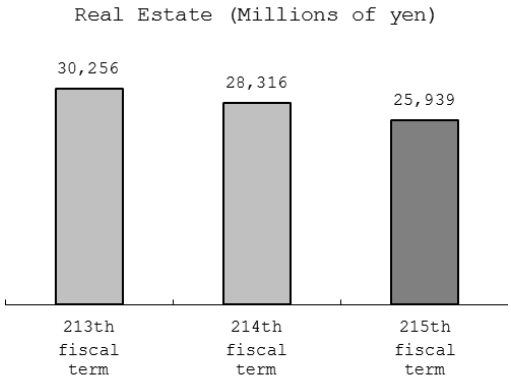


4) Real Estate

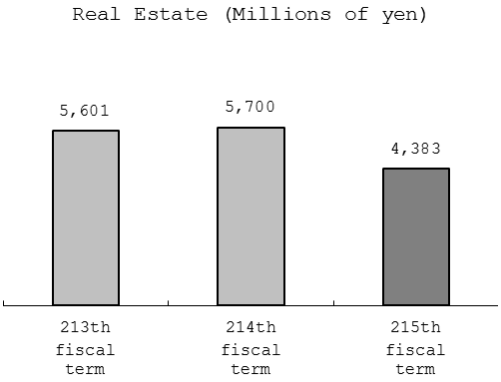
Net sales decreased by 8.4% year on year to ¥25,939 million due to a decrease in income from building rents.

Segment income decreased by 23.1% year on year to ¥4,383 million.

Net sales



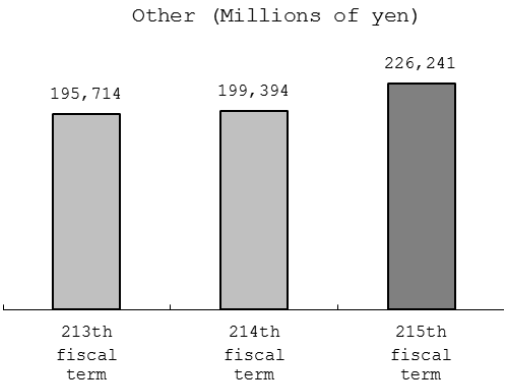
Segment income



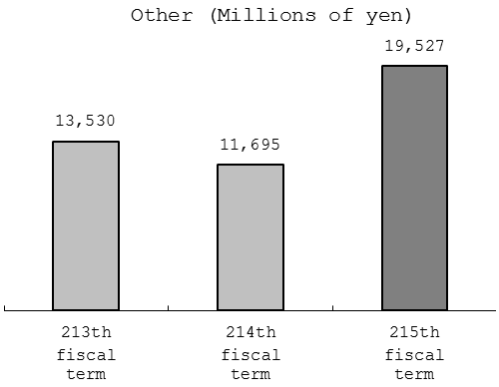
5) Other

Net sales increased by 13.5% year on year to ¥226,241 million due to an increase in sales related to the overseas business.
Segment income increased by 67.0% year on year to ¥19,527 million.

Net sales



Segment income



(2) Group Capital Expenditures

Total capital expenditures for this fiscal year amounted to ¥224,596 million.
The total length of the pipeline network was extended by 681 kilometers during this fiscal year, to 61,744 kilometers as of March 31, 2015. Currently, Hitachi LNG Terminal, etc. are under construction.

(3) Group Financing Activities

In this fiscal year, the Company raised funds totaling ¥49,600 million through issuing the 39th Domestic unsecured bonds and obtaining loans payable. Consolidated interest-bearing liabilities increased by ¥16,916 million compared with the previous year-end, to ¥730,739 million.

(4) Prospective Challenges

The Tokyo Gas Group formulated Challenge 2020 Vision in November 2011, about half a year after the Great East Japan Earthquake to serve as a vision for the Tokyo Gas Group's growth and development toward the future and to clarify the measures to bring this vision to reality. Following this vision, we will continue to respond to the needs of our customers, our society and our times. While contributing to realizing 'a prosperous, fulfilling way of life,' 'competitive domestic industries' and 'an environment-friendly society where people can live in peace of mind,' we will also strive to attain sustained growth of the Tokyo Gas Group by recognizing its corporate social responsibility and practicing transparent and fair management while striving for coexistence with the community.

The Challenge 2020 Vision comprises the following stages: Hop (FY2012-2014), Step (FY2015-2017), and Jump (FY2018-2020). During the three years of the Hop term, we made steady progress and achieved the first step, vigorously proceeding with various initiatives in each of the fields of raw materials procurement, infrastructure establishment, and energy solutions.

We now enter the Step term from this fiscal year. The three important measures for these three years, which are set forth below, were determined in October last year. Looking forward, the Tokyo Gas Group will boldly

and expeditiously take on the challenge of these issues by combining the Group's comprehensive capabilities.

<Evolve the Comprehensive Energy Business>

In the field of raw materials procurement, we will aim to lower the price of raw materials through such methods as achieving greater diversity in suppliers, price indices and destinations, flexibly forming alliances with players in Japan and overseas for joint procurement, optimization and sales of LNG, and procuring LNG derived from shale gas, whose prices are indexed to U.S. natural gas market prices.

In the field of production and supply, we will improve reliability of our supply infrastructure overall while meeting the growing demand for natural gas accompanying the construction of the Hitachi LNG Terminal LNG Storage Tank No. 2 and the Ibaraki Line. Moreover, we aim to construct a safe and stable supply system through such initiatives as accelerating measures for aged gas pipes and introducing a new remote system for a range of functions from confirming the soundness of gas pipes when an earthquake strikes to resuming supply.

In the field of energy solutions, while delivering electricity to residential and commercial customers against the backdrop of full deregulation of the electricity market, we aim to construct an even more competitive power source portfolio. We will also create added value through partnerships with various industries including housing construction and housing equipment, and information and communications. Furthermore, while proposing optimal energy solutions combining gas and electricity, we aim to promote the creation of smart energy solutions that utilize decentralized power sources such as ENE-FARM and cogeneration systems.

<Accelerate Global Business Development>

We aim to further expand our business by diversifying the formats in how we participate in upstream businesses such as acquisition of gas field interests in the United States, and participation in small and medium-scale LNG projects. Furthermore, we will utilize the technology and knowhow of the Tokyo Gas Group's Comprehensive Energy Business in South East Asia and North America while contributing to building local energy infrastructure and energy solutions. In addition, we will take on the challenge of developing the value chain in local areas through forming alliances with local energy companies.

<Construct a New Group Formation>

We will foster and strengthen businesses by centralizing the management resources made up of human resources, technologies and knowhow dispersing within the group. We will also expand the size and scope of businesses in new business fields, such as by forming external alliances to supplement our capabilities.

In addition we will aim to reinforce the Tokyo Gas Group's strength through centralization of management resources by adjusting the business direction of functions that are difficult to develop within the Group and functions that can be expected to grow through external alliances.

In order to accelerate global business development, we will expand overseas bases by newly establishing and further strengthening overseas bases as well as expanding personnel.

We will also examine and implement the optimum management systems for the new group formation that can effectively deliver the greatest efficiency and comprehensive capability and the optimal personnel systems under which each employee can enthusiastically do his or her work.

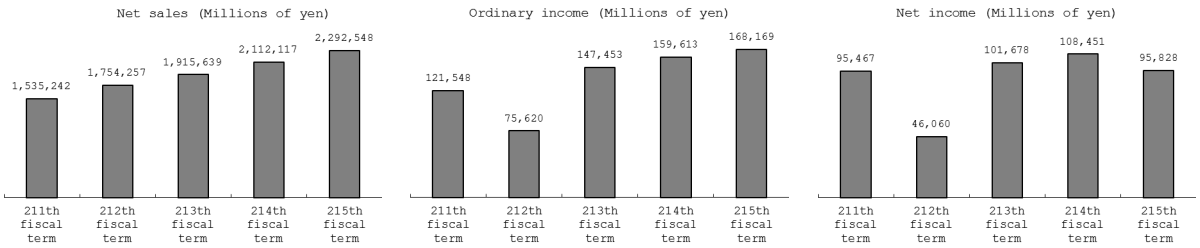
At the very root of all efforts for the above measures will be public security. Looking forward, we will strengthen public security to thoroughly ensure the peace-of-mind and safety of customers so that we earn even stronger trust from society.

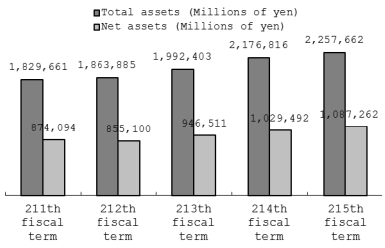
In addition, the Board of Directors resolved, at its meeting held on April 28, 2015, pursuant to the 'Policy on Determination of Dividends from Surplus and Others' (for details, please refer to '7. Policy on Determination of Dividends from Surplus and Others' described later in this document), to set the ceiling on acquisition of treasury shares for FY2015 at ¥34,000 million (or 50 million shares) and set the acquisition period from April 30, 2015 to March 31, 2016.

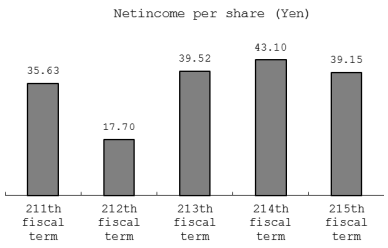
The Group will continue working to increase its corporate value and shareholder value and meet the expectations of both shareholders and customers. Toward that end, we will greatly appreciate your ongoing understanding and support.

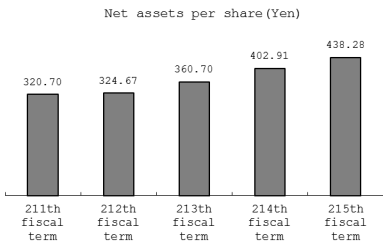
(5) Changes in Status of Assets and Income and Loss

Categories (FY ended March 31)	211th fiscal term (2011)	212th fiscal term (2012)	213th fiscal term (2013)	214th fiscal term (2014)	215th fiscal term (2015)
Net sales (Millions of yen)	1,535,242	1,754,257	1,915,639	2,112,117	2,292,548
Ordinary income (Millions of yen)	121,548	75,620	147,453	159,613	168,169
Net income (Millions of yen)	95,467	46,060	101,678	108,451	95,828
Net income per share (Yen)	35.63	17.70	39.52	43.10	39.15
Total assets (Millions of yen)	1,829,661	1,863,885	1,992,403	2,176,816	2,257,662
Net assets (Millions of yen)	874,094	855,100	946,511	1,029,492	1,087,262
Net assets per share (Yen)	320.70	324.67	360.70	402.91	438.28









(6) Status of Principal Subsidiaries

Name of the company	The stated capital	Percentage of contribution of the Company (%)	Main business activities
TOKYO GAS AUSTRALIA PTY LTD	$1,330,337 thousand	100.00	LNG upstream businesses in Australia
Tokyo Gas America Ltd.	$488,000 thousand	100.00	LNG upstream businesses in the Americas
Tokyo Gas Urban Development Co., Ltd.	¥11,867 million	100.00	Real estate management, leasing and brokerage
Tokyo Gas International Holdings B.V.	EURO 54,734 thousand	100.00	Overseas investment project
Ohgishima Power Co., Ltd.	¥5,350 million	75.00	Operation and management of power station
Tokyo Gas Site Development Co., Ltd.	¥5,000 million	100.00	Real estate development and leasing and management of land and buildings
Nagano Toshi Gas Inc.	¥3,800 million	89.22	City gas distribution
ENERGY ADVANCE Co., Ltd.	¥3,000 million	100.00	Energy service business
Gastar Co., Ltd.	¥2,450 million	66.67	Manufacture and sale of gas appliances
Tokyo LNG Tanker Co., Ltd.	¥1,200 million	100.00	Leasing of tankers delivering LNG/LPG and overseas shipping business
Tokyo Gas Energy Co., Ltd.	¥1,000 million	66.60	Sale of LPG
Capty Co., Ltd.	¥1,000 million	100.00	Design and construction of gas pipelines, water supply and sewage pipes, air-conditioning systems
Tokyo Gas Chemicals Co., Ltd.	¥1,000 million	100.00	Sale of industrial gases and chemicals
Chiba Gas Co., Ltd.	¥480 million	100.00	City Gas distribution
Tokyo Gas Lease Co., Ltd.	¥450 million	100.00	Credit administration and leasing in connection with gas appliances and construction
TG Information Network Co., Ltd.	¥400 million	100.00	Information processing service business
Tokyo Gas Engineering Co., Ltd.	¥100 million	100.00	Comprehensive engineering services with a focus on energy-related works
Nijio Co., Ltd.	¥47 million	100.00	Wholesale of electricity

Notes: 1. ENERGY ADVANCE Co., Ltd. and Tokyo Gas Engineering Co., Ltd. were consolidated on April 1, 2015, and changed its corporate name to Tokyo Gas Engineering Solutions Corporation.
2. The number of consolidated subsidiaries and equity-method affiliates including the above 18 principal subsidiaries were 75 companies.

(7) Status of Business Assignment, Corporate Separation by Absorption or Corporate Separation by Incorporation

On January 30, 2015, the Company resolved at a meeting of the Board of Directors to conduct absorption-type mergers of consolidated subsidiaries Chiba Gas Co., Ltd. and Tsukuba Gakuen Gas Co., Ltd. with the date of effect being May 1, 2016. It was also resolved at the meeting that the Company will succeed the assets and liabilities concerning the city gas business of Miho Gas Co., Ltd. and the rights and obligations related to the businesses of said company through an absorption-type company split.

(8) Main Business Activities (As of March 31, 2015)

Business segment	Main business activities
City Gas Sales	Production, supply and sale of City gas
Gas Appliances and Installation Work	Manufacture and sale of gas appliances and accompanying work and gas installation work
Other Energies	Energy services, sales of LPG, electric power, industrial gas, and LNG
Real Estate	Leasing and management of land and buildings
Other	Construction business, information processing service, shipping business, credit/lease financial services, overseas business, etc.

(9) Main Business Offices and Factories (As of March 31, 2015)

1) The Company

Head Office	(Minato-ku, Tokyo)
Service Branches (*Shisha*, *Shiten and Jigyobu*)	Central Service Branch (Meguro-ku, Tokyo) Western Service Branch (Suginami-ku, Tokyo) Tama Service Branch (Tachikawa, Tokyo) Eastern Service Branch (Koto-ku, Tokyo) Chiba Branch Office(Chiba, Chiba) Northern Service Branch (Kita-ku, Tokyo) Saitama Branch Office(Saitama, Saitama) Kanagawa Branch Office(Yokohama, Kanagawa) Yokohama Service Branch (Yokohama, Kanagawa) Kawasaki Service Branch (Kawasaki, Kanagawa) Western Kanagawa Service Branch (Fujisawa, Kanagawa) Hitachi Branch Office (Hitachi, Ibaraki) Johsoh Branch Office (Ryugasaki, Ibaraki) Gunma Branch Office (Takasaki, Gunma) Kumagaya Branch Office (Kumagaya, Saitama) Utsunomiya Branch Office (Utsunomiya, Tochigi) Ibaraki Branch Office(Mito, Ibaraki)
LNG Terminals	Negishi LNG Terminal (Yokohama, Kanagawa) Sodegaura LNG Terminal (Sodegaura, Chiba) Ohgishima LNG Terminal (Yokohama, Kanagawa)

2) Principal subsidiaries

Name	Location of Head Office	Name	Location of Head Office
TOKYO GAS AUSTRALIA PTY LTD	Australia	Tokyo LNG Tanker Co., Ltd.	Mianto-ku, Tokyo
Tokyo Gas America Ltd.	United States of America	Tokyo Gas Energy Co., Ltd.	Chuo-ku, Tokyo
Tokyo Gas Urban Development Co., Ltd.	Shinjuku-ku, Tokyo	Capty Co., Ltd.	Shinagawa-ku, Tokyo
Tokyo Gas International Holdings B.V.	Netherlands	Tokyo Gas Chemicals Co., Ltd.	Minato-ku, Tokyo
Ohgishima Power Co., Ltd.	Yokohama, Kanagawa	Chiba Gas Co., Ltd.	Sakura, Chiba
Tokyo Gas Site Development Co., Ltd.	Minato-ku, Tokyo	Tokyo Gas Lease Co., Ltd.	Shinjuku-ku, Tokyo
Nagano Toshi Gas Inc.	Nagano, Nagano	TG Information Network Co., Ltd.	Minato-ku, Tokyo
ENERGY ADVANCE Co., Ltd.	Minato-ku, Tokyo	Tokyo Gas Engineering Co., Ltd.	Ota-ku, Tokyo
Gastar Co., Ltd.	Yamato, Kanagawa	Nijio Co., Ltd.	Minato-ku, Tokyo

(10) Status of Employees (As of March 31, 2015)

1) Number of employees in the Group

Business segment	Number of employees (Change from previous year)
City Gas Sales	7,085 (+38)
Gas Appliances and Installation Work	3,518 (-232)
Other Energies	1,174 (+58)
Real Estate	188 (+7)
Other	3,993 (-61)
Corporate	877 (-51)
Total	16,835 (-241)

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

2) Number of employees in the Company

Number of employees (Change from previous year)	Average age (Years)	Average service years
7,979 (-23)	44.6	18.1

Notes: 1. 'Number of employees' refers to permanent full-time employees and employees seconded to the Company, and does not include employees seconded to other companies and temporary staff.
2. 'Average age' and 'Average service years' do not include those of employees seconded to the Company.

(11) Major Creditors and Balance of Borrowings (As of March 31, 2015)

Creditor	Balance of borrowings (Millions of yen)
Japan Bank for International Cooperation	120,599
Mizuho Bank, Ltd.	36,410
Meiji Yasuda Life Insurance Company	23,500
The Dai-ichi Life Insurance Company, Ltd.	18,500
Nippon Life Insurance Company	17,695
Mitsubishi UFJ Trust and Banking Corporation	16,700
Syndicated Loan	15,000
The Ashikaga Bank, Ltd.	13,500
Sumitomo Life Insurance Company	13,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,974

Note: Syndicated loan is a joint-financing instrument with Development Bank of Japan Inc. as the manager.

2. Matters Related to Shares of the Company (As of March 31, 2015)

(1) Aggregate number of authorized shares

Common share: 6,500,000,000 shares

(2) Aggregate number of shares issued

Common share: 2,446,778,295 shares
(A year-on-year decrease of 70,773,000 shares)

Note: The aggregate number of shares issued decreased as indicated above from the retirement of treasury share on July 15, 2014.

(3) Share trade unit

1,000 shares

(4) Number of shareholders

117,487

(5) Major shareholders

Name of shareholders	Number of shares held (Thousand shares)	Percentage of share ownership (%)
Nippon Life Insurance Company	156,480	6.41
The Dai-ichi Life Insurance Company, Ltd.	120,472	4.94
Japan Trustee Services Bank, Ltd. (Trust Account)	101,206	4.15
The Master Trust Bank of Japan, Ltd. (Trust Account)	92,759	3.80
Tokyo Gas Group Employees Shareholding Association	42,867	1.76
Fukoku Mutual Life Insurance Company	41,103	1.68
Mizuho Trust & Banking Co., Ltd. Employee Pension Trust Dai-ichi Mutual Life Insurance Company Account Standby Trustee Trust & Custody Services Bank, Ltd.	35,490	1.45
STATE STREET BANK WEST CLIENT-TREATY 505234	34,888	1.43
THE BANK OF NEW YORK MELLON SA/NV 10	30,845	1.26
JFE Engineering Corporation	26,806	1.10

Note: Percentage of share ownership is calculated by the number of shares excluding treasury share (6,540,207 shares).

(6) Other principal items regarding shares

1) Acquisition of own share
   Common share: 70,985,573 shares
   Total value of acquisitions: ¥40,132,672,226
2) Disposal of treasury share
   Common share: 6,974 shares
   Total value of disposition: ¥3,947,058
3) Cancellation of treasury share
   Common share: 70,773,000 shares
   Total value of cancellation: ¥40,057,518,000
4) Shares owned by the Company as of the balance sheet date
   Common share: 6,540,207 shares

3. Matters Related to Share Option in Kind (As of March 31, 2015)

There are no items to report.

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

(1) Name, etc. of Directors and Audit & Supervisory Board Members (As of March 31, 2015)

Name	Position	Areas of responsibility in the Company and 'Important concurrent posts'
Tsuyoshi Okamoto	Director and Chairman of the Board	
Shigeru Muraki	Director, Vice Chairman of the Board	
Michiaki Hirose	Representative Director, President	
Matsuhiko Hataba	Representative Director, Executive Vice President	Assistant to the President, Chief Executive of Residential Sales and Service Div.
Yutaka Kunigo	Representative Director, Executive Vice President	Assistant to the President, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.
Kazuo Yoshino	Director, Senior Executive Officer	Chief Executive of IT Div., in charge of Finance Dept. and Accounting Dept.
Masahiro Mikami	Director, Senior Executive Officer	In charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept. and Compliance Dept.
Hiroaki Kobayashi	Director, Senior Executive Officer	Chief Executive of Technology Development Div., in charge of Smart Energy Business Development Dept.
Yukio Sato	Outside Director	Vice Chairman of The Japan Institute of International Affairs
Ryuichi Tomizawa	Outside Director	
Yoshihiko Nakagaki	Outside Director	
Manabu Fukumoto	Standing Audit & Supervisory Board Member	
Tsutomu Oya	Standing Audit & Supervisory Board Member	
Yoshihiko Morita	Outside Audit & Supervisory Board Member	Outside Director of Kawasaki Heavy Industries, Ltd.
Kojiro Otani	Outside Audit & Supervisory Board Member	
Wako Tojima	Outside Audit & Supervisory Board Member	

Notes: 1. Director, Vice Chairman of the Board Shigeru Muraki retired as Vice Chairman of the Board as of March 31, 2015.

2. The areas of responsibility of Representative Director Yutaka Kunigo were changed effective April 1, 2015 from Assistant to the President, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div. to Assistant to the President, in charge of Power Business Planning Dept., Business Restructuring Project Dept., Gas Business Deregulation Project Dept., and Sales Innovation Planning Dept.

3. Director Kazuo Yoshino retired as Senior Executive Officer as of March 31, 2015.

4. The areas of responsibility of Director Masahiro Mikami were changed effective April 1, 2015 from in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept. and Compliance Dept. to in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Compliance Dept., and Internal Audit Dept.
5. The areas of responsibility of Director Hiroaki Kobayashi were changed effective April 1, 2015 from Chief Executive of Technology Development Div., in charge of Smart Energy Business Planning Dept. to Chief Executive of Pipeline Network Div.
6. Outside Audit & Supervisory Board Member Yoshihiko Morita has in-depth experiences in international finance field activities and is highly knowledgeable about financial accounting matters.
7. Yukio Masuda resigned as Outside Audit & Supervisory Board Member as of the conclusion of the 214th Annual Shareholders Meeting held on June 27, 2014.

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

Directors	(12 people):	¥492 million
Audit & Supervisory Board Members	(6 people):	¥106 million
Total	(18 people):	¥598 million

Notes:
1. The total number of Directors and Audit & Supervisory Board Members includes one (1) Director and one (1) Audit & Supervisory Board Member retiring upon the conclusion of the 214th Annual Shareholders Meeting and the aggregate amount of remuneration paid includes the remuneration paid to these one Director and one Audit & Supervisory Board Member.
2. Of the foregoing amount, the aggregate amount of remuneration paid to seven (7) Outside Officers (Outside Directors and Outside Audit & Supervisory Board Members) was ¥64 million, which includes the remuneration paid to one (1) Outside Audit & Supervisory Board Member retiring upon the conclusion of the 214th Annual Shareholders Meeting.
3. The aggregate monthly remuneration payable to all Directors of up to ¥50 million was approved at the 205th Annual Shareholders Meeting, and the aggregate annual bonus payable to all Directors of up to ¥90 million was approved at the 206th Annual Shareholders Meeting.
4. The aggregate monthly remuneration payable to all Audit & Supervisory Board Members of up to ¥12 million was approved at the 190th Annual Shareholders Meeting.

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

As a means of enhancing its corporate governance, the Company sets forth its 'Basic Policy on Remuneration' and the Board or Directors, at its meeting held on February 23, 2012, resolved to revise it as follows:

1) Role of executive and remuneration
   The role demanded of the executive is to seek to enhance short-term, medium- and long-term corporate value, and executive remuneration shall serve as an effective incentive for them to perform that role.
2) Level of remuneration
   The level of executive compensation shall be suitable for the role, responsibility and performance of the executive.
3) Remuneration of Directors and its composition
   i. Remuneration of Directors shall be paid within the scope of the remuneration limit approved at Shareholders Meeting.
   ii. Remuneration of Inside Directors shall comprise monthly remuneration and bonus.
      - Monthly remuneration shall comprise fixed remuneration paid in accordance with the post of each individual and performance-linked remuneration. A portion of fixed remuneration shall be allocated to the purchase of shares based on a share-purchase guideline and from the standpoints of reflecting the perspectives of shareholders on management and improving shareholder value over the long term. The amount of performance-linked remuneration shall be determined after evaluating company-wide performance and

performance of operating units from the standpoints of motivating Inside Directors to execute management strategies and reflecting their performance clearly in their remuneration.

- The amount of bonus to be paid shall be determined in accordance with the post of each Inside Directors after performance evaluation.

iii. Remuneration of Outside Directors shall comprise monthly remuneration and bonus. Monthly remuneration shall comprise only fixed remuneration, while bonus shall be the same as that of Inside Directors.

4) Remuneration of Audit & Supervisory Board Members and its composition

i. Remuneration of Audit & Supervisory Board Members shall be paid within the scope of the remuneration limit approved at Shareholders Meeting and determined through discussions among Audit & Supervisory Board Members.

ii. Remuneration of Audit & Supervisory Board Members shall comprise only fixed monthly remuneration.

5) Assurance of objectivity and transparency of remuneration system

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

(4) Matters Related to Outside Officers

1) Outside Director Yukio Sato

i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There is no special relationship between the Company and the legal person in kind.

ii. Status of major activities during the business year under review

Mr. Sato has attended 11 of 11 Board of Directors meetings. Given his international way of thinking acquired as a diplomat, wide perspective and in-depth knowledge, Mr. Sato provides the Company with a wide variety of opinions on its management operations. The Company designates Mr. Sato as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

2) Outside Director Ryuichi Tomizawa

i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There are no items to report.

ii. Status of major activities during the business year under review

Mr. Tomizawa has attended 11 of 11 Board of Directors meetings. Given his international way of thinking acquired through aggressive overseas expansion in the chemical industry, wide perspective and in-depth knowledge, Mr. Tomizawa provides the Company with a wide variety of opinions on its management operations.

The Company designates Mr. Tomizawa as the 'Independent Officer'

(Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

3) Outside Director Yoshihiko Nakagaki

i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There are no items to report.

ii. Status of major activities during the business year under review

Mr. Nakagaki has attended 11 of 11 Board of Directors meetings. Given his business management outlook acquired through the various business development conducted at Electric Power Development Co., Ltd. as well as his strong management capabilities with which he has implemented reforms in response to changes in the business environment, Mr. Nakagaki provides the Company with a wide variety of opinions on its management operations.

The Company designates Mr. Nakagaki as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

4) Outside Audit & Supervisory Board Member Yoshihiko Morita

i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There is no special relationship between the Company and the legal person in kind.

ii. Status of major activities during the business year under review

Mr. Morita has attended 11 of 11 Board of Directors meetings and 11 of 11 Audit & Supervisory Board meetings. Given his broad cosmopolitan outlook and in-depth knowledge acquired in the fields of international finance and overseas economic cooperation, Mr. Morita offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.

The Company designates Mr. Morita as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

5) Outside Audit & Supervisory Board Member Kojiro Otani

i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There are no items to report.

ii. Status of major activities during the business year under review

Mr. Otani has attended 11 of 11 Board of Directors meetings and 11 of 11 Audit & Supervisory Board meetings. Given the abundant experiences and in-depth knowledge in organizational management acquired at local government institutions, Mr. Otani offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.

The Company designates Mr. Otani as the 'Independent Officer'(Independent Audit & Supervisory Board Member), who will

not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

6) Outside Audit & Supervisory Board Member Wako Tojima

i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There are no items to report.

ii. Status of major activities during the business year under review

Ms. Tojima has attended 9 of 9 Board of Directors meetings and 9 of 9 Audit & Supervisory Board meetings held after she was appointed at the 214th Annual Shareholders Meeting. Given the abundant experience and deep insight as a science journalist, Ms. Tojima offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.

The Company designates Ms. Tojima as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

5. Status of Accounting Auditor (Independent Auditor)

(1) Name of Accounting Auditor

KPMG AZSA LLC

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

1) Total payments to Independent Auditor by the Company and its subsidiaries
   ¥283 million
2) Of the total amount listed in 1) above, remuneration and other payments to Independent Auditor by the Company
   ¥130 million
3) Of the total amount listed in 2) above, for auditing services provided under Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan
   ¥117 million

Notes: 1. The auditing contract between the Company and the Accounting Auditor makes no distinction between auditing services based on the Companies Act and auditing services based on the Financial Instruments and Exchange Act. Since no real distinction can be made in practice, the amount listed in 3) above also includes payments for auditing services based on the Financial Instruments and Exchange Act, etc.

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

(3) The Contents of Non-Audit Services

The Company commissions the Accounting Auditor to provide non-audit services such as provision of advisory services relating to IFRS, issuance of certificates pursuant to regulations on calculation of income and expenditures by gas business segment, and provision of advisory services relating to database architecture for internal auditing.

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

The Company appoints the Accounting Auditor by comprehensively taking into account their operating scale, track record, business execution structure and other pertinent factors and on condition that they are capable of executing fair and stringent accounting audits.
It is the policy of the Company to decide to dismiss or not reappoint the appointed Accounting Auditor in accordance with the provisions of Article 340, Paragraph 1 of the Companies Act or if, in light of the aforementioned appointment criteria, the Accounting Auditor is deemed to be incapable of executing fair and stringent accounting audits.

6. Basic Policy on Development of Corporate Structures and Systems for Ensuring Appropriateness of Operations

The Company passed a resolution to revise the 'Basic Policy on Development of Corporate Structures and Systems for Ensuring Appropriateness of Operations (Internal Control System) for the Tokyo Gas Group' at the meeting of its Board of Directors held on April 27, 2012 as follows:

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

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

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

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

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

1) The Board of Directors shall pass resolutions on the agendas submitted for deliberation and resolution pursuant to the provisions of the relevant acts, the Articles of Incorporation and the 'Regulations of the Board of Directors'. The Board of Directors, pursuant to the provisions of the said Regulations, shall in principle convene one meeting per month or convene one as needed. Of the agendas submitted to the Board of Directors, those agendas which require prior deliberations or are otherwise critical enough to affect management shall be deliberated on at the Management Committee comprising Executive President, Executive Vice Presidents and Senior Executive Officers.
2) Details of the persons in charge of executing operations based on the decisions of the Board of Directors, their responsibilities, and the relevant executing procedures shall be prescribed in the 'Regulations on Office Organization', 'Regulations on the Mission Statement', and 'Regulations on Official Responsibilities and Authorized Powers'.
3) The Representative Director shall report the status of operational execution to the Board of Directors pursuant to the provisions of the 'Regulations of the Board of Directors'.
4) The Board of Directors shall formulate medium- and long-term management strategies, etc., and, based on them, establish principal management objectives and verify progress periodically. The Board of Directors shall concurrently ensure that Directors execute their duties in an efficient and effective manner by setting annual objectives by operating unit and subsidiaries and associates and by managing operating performance.

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

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

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

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

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

1) The Company shall demand that its subsidiaries and associates establish those rules and regulations which would be necessary for ensuring compliance with the 'Corporate Action Philosophy' and the 'Our Code of Conduct' and the appropriateness of operations. Each one of the subsidiaries' and associates' Directors and Audit & Supervisory Board Members shall assume the duty of due care and diligence of a good manager in ensuring the appropriateness of operations.
2) The Company shall prescribe 'Regulations on the Management of Subsidiaries and Associates', and establish a corporate structure and system where its Directors would be empowered to manage its subsidiaries and associates by approving and receiving reports on important matters including those related to its exercise of shareholder's rights vis-à-vis the subsidiaries and associates. The Company shall retain part of its powers over subsidiaries' and associates' business operations.
3) The Company shall establish a corporate structure and system where, if for purposes of subsidiaries and associates management any of its subsidiaries and associates is found to have a compliance-related problem including contravention of the acts or the Articles of Incorporation, the relevant subsidiaries and associates would be required to report such a problem to Compliance Department or other units of the Company as appropriate. In connection with the said problem, each one of the relevant subsidiaries' and associates' Directors and Audit & Supervisory Board Members shall assume the duty of due care and diligence of a good manager.
4) If any of the Company's Directors detects or discovers any principal compliance-related problem at any subsidiaries and associates including

contravention of the acts or the Articles of Incorporation, he/she shall report the said problem to the Management Committee and Audit & Supervisory Board Members without delay.

5) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to conduct their audits of subsidiaries and associates in an efficient and effective manner in close coordination with Audit & Supervisory Board Members of the relevant subsidiaries and associates and Internal Audit Department. The Company shall also establish a corporate structure and system where, if audit findings reveal the presence of a problem in ensuring the appropriateness of operations of the whole of the Company and its subsidiaries and associates, Audit & Supervisory Board Members would be empowered to demand that the relevant Director ameliorate the situation.
6) The Company shall establish a corporate structure and system where Internal Audit Department would be able to conduct its audits of subsidiaries and associates in an efficient and effective manner in close coordination with the Audit & Supervisory Board Members of the Company and subsidiaries and associates, and report its findings to the Management Committee, Audit & Supervisory Board Members, and the Directors and Audit & Supervisory Board Members of the relevant subsidiaries and associates.

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

1) With the aim of providing its Audit & Supervisory Board Members with necessary assistance, the Company shall establish an Audit & Supervisory Board Members' Office staffed by full-time personnel who would operate independently of any unit executing operations.
2) The Board of Directors shall pass a resolution on appointment or dismissal of the manager of the Audit & Supervisory Board Members' Office subject to consent of Audit & Supervisory Board Members. The Board of Directors shall decide on human resources-related matters of the said manager and other employees subject to consent of Audit & Supervisory Board Members.

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

1) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to demand, as needed, that Directors and employees inform them of any matters necessary for execution of their duties.
2) The Company shall guarantee that Audit & Supervisory Board Members will have an opportunity to exchange views with Directors as needed; that they will be allowed to attend principal meetings and express their views on lawfulness, etc. as needed; and that they will have access to important information.
3) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to ensure the effectiveness of their audits by coordinating with Independent Auditor, Audit & Supervisory Board Members of its subsidiaries and associates and Internal Audit Department.

7. Policy on Determination of Dividends from Surplus and Others

Based on "Challenge 2020 Vision" formulated by the Company, the Board of Directors resolved, at its meeting held on January 31, 2012, the following policy on dividends from surplus and others.

The Company will apply the cash flow it has generated based on "Challenge 2020 Vision" to investments in 'Enhancing the LNG Value Chain,' which is aimed at new growth, and will simultaneously allocate the results of its management to the shareholders in an appropriate and timely manner.

Specifically, the Company has positioned acquisition of its own shares based on assumption of retirement, in addition to dividends, as a form of its return to the shareholders, and has set the targeted gross distribution propensity (the ratio of the amount of dividends and acquisition of its own shares to consolidated net income) at about 60% for each year until FY2020.

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

$$\text{n FY gross distribution propensity} = \frac{\text{(n FY total dividends) + (n+1 FY acquisition of own shares)}}{\text{n FY consolidated net income}}$$

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

Based on 'Challenge 2020 Vision,' the Company passed at the meeting of its Board of Directors held on January 31, 2012, a resolution on amendment of the 'Basic Policy on the Management Principles and Control of the Tokyo Gas Group' as follows:

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

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

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

The Company considers 'increasing corporate value' is the most effective defensive measure against an act of inappropriate massive share-purchasing.

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

[English Translation of Financial Statements Originally Issued in the Japanese Language]

Consolidated Balance Sheet

As of March 31, 2015

(Millions of yen)

ASSETS	
Non-current Assets	1,675,901
Property, plant and equipment	1,264,979
Production facilities	174,760
Distribution facilities	479,060
Service and maintenance facilities	60,525
Other facilities	326,424
Inactive facilities	387
Construction in progress	223,821
Intangible assets	135,441
Goodwill	503
Other	134,937
Investments and other assets	275,480
Investment securities	199,166
Long-term loans receivable	16,149
Net defined benefit asset	5,541
Deferred tax assets	24,731
Other	30,335
Allowance for doubtful accounts	(444)
Current Assets	581,761
Cash and deposits	86,493
Notes and accounts receivable-trade	250,326
Lease receivables and investment assets	26,379
Securities	43,010
Merchandise and finished goods	3,189
Work in process	14,046
Raw materials and supplies	71,630
Deferred tax assets	12,637
Other	74,632
Allowance for doubtful accounts	(584)
Total Assets	2,257,662

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES	
Non-current Liabilities	784,193
Bonds payable	312,697
Long-term loans payable	339,214
Deferred tax liabilities	11,436
Net defined benefit liability	75,071
Provision for gas holder repairs	3,421
Provision for safety measures	868
Provision for appliance warranties	3,675
Provision for loss on guarantees	1,562
Asset retirement obligations	11,448
Other	24,798
Current Liabilities	386,206
Current portion of non-current liabilities	58,020
Notes and accounts payable-trade	108,948
Short-term loans payable	18,547
Income taxes payable	43,640
Deferred tax liabilities	2
Provision for safety measures	3,839
Other	153,208
Total Liabilities	1,170,400
NET ASSETS	
Shareholders' Equity	995,971
Capital stock	141,844
Capital surplus	2,065
Retained earnings	855,776
Treasury shares	(3,715)
Accumulated Other Comprehensive Income	73,543
Valuation difference on available-for-sale securities	34,455
Deferred gains or losses on hedges	(1,820)
Foreign currency translation adjustment	43,071
Remeasurements of defined benefit plans	(2,163)
Minority Interests	17,747
Total Net Assets	1,087,262
Total Liabilities and Net Assets	2,257,662

Consolidated Statement of Income

From April 1, 2014 to March 31, 2015

(Millions of yen)

Net sales	2,292,548
Cost of sales	1,668,041
[Gross profit]	[624,506]
Supply and sales expenses	383,749
General and administrative expenses	69,003
[Operating income]	[171,753]
Non-operating income	17,542
Interest income	770
Dividend income	3,891
Share of profit of entities accounted for using equity method	3,313
Revenue from dedicated equipment	2,944
Miscellaneous income	6,622
Non-operating expenses	21,126
Interest expenses	12,659
Foreign exchange losses	2,561
Miscellaneous expenses	5,905
[Ordinary income]	[168,169]
Extraordinary income	11,197
Gain on sales of non-current assets	6,134
Gain on sales of investment securities	5,062
Extraordinary losses	32,115
Impairment loss	30,987
Loss on reduction of non-current assets	505
Loss on valuation of investment securities	622
[Income before income taxes and minority interests]	[147,251]
Income taxes - current	51,451
Income taxes - deferred	(847)
Income before minority interests	96,647
Minority interests in income	819
Net income	95,828

[English Translation of Financial Statements Originally Issued in the Japanese Language]

Non-Consolidated Balance Sheet

As of March 31, 2015

(Millions of yen)

ASSETS	
Non-current Assets	1,402,826
Property, plant and equipment	844,007
Production facilities	177,784
Distribution facilities	460,376
Service and maintenance facilities	55,485
Facilities for incidental businesses	2,623
Inactive facilities	387
Construction in progress	147,349
Intangible assets	32,855
Patent right	10
Leasehold right	1,662
Software	21,643
Other	9,538
Investments and other assets	525,963
Investment securities	86,234
Investments in subsidiaries and associates	304,597
Long-term loans receivable	66
In-house long-term loans receivable	12
Long-term loans receivable from subsidiaries and associates	99,693
Investments in capital	13
Long-term prepaid expenses	11,106
Prepaid pension cost	6,051
Deferred tax assets	11,930
Other	7,026
Allowance for doubtful accounts	(768)
Current Assets	424,298
Cash and deposits	28,329
Notes receivable - trade	1,196
Accounts receivable - trade	166,086
Accounts receivable from subsidiaries and associates - trade	42,501
Accounts receivable - other	21,992
Securities	43,000
Finished goods	123
Raw materials	49,849
Supplies	10,871
Advance payments	12
Prepaid expenses	1,107
Short-term receivables from subsidiaries and associates	8,810
Deferred tax assets	9,344
Other	41,711
Allowance for doubtful accounts	(637)
Total Assets	1,827,125

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES	
Non-current Liabilities	638,217
Bonds payable	312,697
Long-term loans payable	252,141
Long-term debt to subsidiaries and associates	340
Provision for retirement benefits	62,006
Provision for gas holder repairs	2,997
Provision for safety measures	868
Provision for appliance warranties	3,675
Provision for loss on guarantees	1,562
Other	1,927
Current Liabilities	377,943
Current portion of non-current liabilities	35,263
Accounts payable - trade	69,162
Accounts payable - other	50,597
Accrued expenses	33,410
Income taxes payable	35,481
Advances received	6,850
Deposits received	2,047
Short-term loans payable to subsidiaries and associates	87,966
Accounts payable to subsidiaries and associates	21,864
Accrued expenses of subsidiaries and associates	24,585
Short-term debt to subsidiaries and associates	1,417
Provision for safety measures	3,812
Other	5,484
Total Liabilities	1,016,160
NET ASSETS	
Shareholders' Equity	790,360
Capital stock	141,844
Capital stock	141,844
Capital surplus	2,065
Legal capital surplus	2,065
Retained Earnings	650,165
Legal retained earnings	35,454
Other retained earnings	614,710
Reserve for advanced depreciation of non-current assets	1,607
Reserve for overseas investment loss	13,129
Reserve for adjustment of cost fluctuations	141,000
General reserve	339,000
Retained earnings brought forward	119,973
Treasury shares	(3,715)
Treasury shares	(3,715)
Valuation and Translation Adjustments	20,605
Valuation difference on available-for-sale securities	33,765
Valuation difference on available-for-sale securities	33,765
Deferred gains or losses on hedges	(13,159)
Deferred gains or losses on hedges	(13,159)
Total Net Assets	810,965
Total Liabilities and Net Assets	1,827,125

Non-Consolidated Statement of Income

From April 1, 2014 to March 31, 2015

(Millions of yen)

Product sales	1,604,342
Gas sales	1,604,342
Cost of sales	1,097,866
Beginning inventories	167
Cost of products manufactured	1,086,224
Purchase of finished goods	14,919
Costs of gas for own use	3,321
Ending inventories	123
[Gross profit]	[506,476]
Supply and sales expenses	334,167
General and administrative expenses	70,669
[Income on core business]	[101,639]
Miscellaneous operating revenue	164,945
Revenue from installation work	42,429
Revenue from gas appliance sales	114,651
Third party access revenue	279
Other miscellaneous operating revenue	7,585
Miscellaneous operating expenses	158,296
Expenses of installation work	41,476
Expenses of gas appliances sales	116,819
Revenue for incidental businesses	314,307
Revenue from LNG sales	150,931
Revenue from power sales	133,986
Revenue from other incidental businesses	29,389
Expenses for incidental businesses	296,403
Expenses for LNG sales	143,935
Expenses for power sales	123,185
Expenses for other incidental businesses	29,282
[Operating income]	[126,192]
Non-operating income	30,825
Interest income	807
Interest on securities	11
Dividend income	1,663
Dividends from subsidiaries and associates	15,397
Rent income	3,536
Revenue from dedicated equipment	3,487
Miscellaneous income	5,920
Non-operating expenses	16,969
Interest expenses	4,373
Interest on bonds	6,276
Amortization of bond issuance cost	96
Adjustments of charges for construction of distribution facilities	2,095
Miscellaneous expenses	4,126
[Ordinary income]	[140,048]
Extraordinary income	7,007
Gain on sales of non-current assets	1,947
Gain on sales of investment securities	5,060
Extraordinary losses	1,313
Loss on reduction of non-current assets	503
Loss on valuation of investment securities	809
[Income before income taxes]	[145,742]
Income taxes - current	39,033
Income taxes - deferred	2,846
Net income	103,863

Independent Auditor's Report

May 15, 2015

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA LLC

Teruhiko Tanaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shuichi Ikeya (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaru Miura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Tokyo Gas Co., Ltd. as at March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

May 15, 2015

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA LLC

Teruhiko Tanaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shuichi Ikeya (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaru Miura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Tokyo Gas Co., Ltd. as at March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's

internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

[English Translation of the Audit & Supervisory Board Members' Report Originally Issued in the Japanese Language]

AUDIT REPORT

The Audit & Supervisory Board (the 'Board'), having deliberated on the audit reports prepared by Audit & Supervisory Board Members on the execution of the duties of Directors for the 215th business year from April 1, 2014 to March 31, 2015, does hereby report on its audit findings as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Board
   (1) The Board set the audit policy, audit plan, etc., debriefed Audit & Supervisory Board Members on the status of execution and results of their audits, debriefed Directors and Independent Auditors on the status of execution of their duties, and requested explanations as needed.
   (2) While maintaining proper communication with Directors, internal audit staff and other employees, Audit & Supervisory Board Members executed their audits in the manner described below in conformity with the audit & supervisory board members' audit standard established by the Board and in accordance with the audit policy, audit plan, etc. established by the Board.
      1) Audit & Supervisory Board Members attended the meetings of the Board of Directors, the Management Committee and other important meetings of the Company, debriefed Directors and employees on the status of execution of their duties as needed, inspected important documents, and examined the status of business operations and properties at the head office and main business units. With respect to the subsidiaries, Audit & Supervisory Board Members examined the status of subsidiaries' operations and properties by maintaining proper communication with subsidiaries' Directors, Audit & Supervisory Board Members, etc. and physically visiting some of them as necessary.
      2) Audit & Supervisory Board Members and the Board examined the contents of the resolutions of the Board of Directors on the development of the corporate structure and system to ensure that execution by Directors of their duties conformed to the provisions of the relevant acts and the Articles of Incorporation and of the corporate structure and system which are prescribed in Article 100, Paragraphs 1 and 3 of the 'Enforcement Regulations of the Companies Act' as being necessary for ensuring the appropriateness of operations of a joint-stock corporation, as well as the status of the corporate structure and system (internal control system) put in place by the said resolutions.
      With respect to internal control covering financial reporting, the Audit & Supervisory Board Members debriefed the Directors and KPMG AZSA LLC on evaluation of the said internal control and status of audit and requested explanations as needed.
      3) Audit & Supervisory Board Members further discussed the contents of the Basic Policy, prescribed in Article 118, Item 3 of the 'Enforcement Regulations of the Companies Act', stated in the Business Report based on deliberation at meetings of the Board of Directors and other occasions.
      4) Audit & Supervisory Board Members and the Board debriefed Independent Auditors on the status of execution of their duties, and requested explanations as needed. In addition, Audit & Supervisory Board Members and the Board were informed by Independent Auditors that they were developing the 'structure and system to ensure that their duties would be executed in a proper manner' (items prescribed in Article 131 of the 'Company Calculation Regulations') in accordance with 'Quality Control Standard for Auditing' (by Business Accounting Council dated October 28, 2005), and requested explanations as needed.

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

2. Results of Audit

(1) Results of audit of Business Report and its supporting schedules

1) The Business Report and its supporting schedules present fairly the status of the Company in conformity with the relevant acts and the Articles of Incorporation.

2) No misconduct or material fact running counter to the relevant acts or the Articles of Incorporation has been found in respect of execution of Directors' duties.

3) The contents of the Board of Directors' resolution on the internal control system are fair and reasonable. The execution by Directors of their duties related to the said internal control system, including the internal control covering financial reporting, has no specific problems which have to be pointed out.

4) The contents of basic policy for appointed ruler, who decide the Company's policy of Finance and Business described on the Business Report has no specific problems which have to be pointed out.

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

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

(3) Results of audit of consolidated financial statements

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

May 19, 2015

Tokyo Gas Co., Ltd. Audit & Supervisory Board

Manabu Fukumoto	Standing Audit & Supervisory Board Member
Tsutomu Oya	Standing Audit & Supervisory Board Member
Yoshihiko Morita	Outside Audit & Supervisory Board Member
Kojiro Otani	Outside Audit & Supervisory Board Member
Wako Tojima	Outside Audit & Supervisory Board Member

Matters Disclosed via the Internet
Pursuant to Laws and Regulations and the Articles of Incorporation

Consolidated Statement of Changes in Equity

Notes to the Consolidated Financial Statements

Non-Consolidated Statement of Changes in Equity

Notes to the Non-Consolidated Financial Statements

215th Fiscal Year (April 1, 2014 to March 31, 2015)

TOKYO GAS CO., LTD.

The information relevant to matters that require disclosure in the consolidated financial statements "Consolidated Statement of Changes in Equity", "Notes to the Consolidated Financial Statements", and non-consolidated financial statements "Non-Consolidated Statement of Changes in Equity" and "Notes to the Non-Consolidated Financial Statements" are provided via the Internet by posting them on the Company's website (http://www.tokyo-gas.co.jp) pursuant to laws and regulations and the Company's Articles of Incorporation.

Consolidated Statement of Changes in Equity

From April 1, 2014 to March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	141,844	2,065	827,129	(3,643)	967,395
Cumulative effects of changes in accounting policies			(2,628)		(2,628)
Restated balance	141,844	2,065	824,500	(3,643)	964,766
Changes of items during period					
Dividends of surplus			(24,757)		(24,757)
Net income			95,828		95,828
Purchase of treasury shares				(40,132)	(40,132)
Disposal of treasury shares				3	4
Retirement of treasury shares			(40,057)	40,057	
Decrease in the number of consolidated subsidiaries			262		262
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	31,275	(71)	31,204
Balance at end of current period	141,844	2,065	855,776	(3,715)	995,971

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of current period	25,860	(671)	17,889	1,313	44,391	17,705	1,029,492
Cumulative effects of changes in accounting policies							(2,628)
Restated balance	25,860	(671)	17,889	1,313	44,391	17,705	1,026,863
Changes of items during period							
Dividends of surplus							(24,757)
Net income							95,828
Purchase of treasury shares							(40,132)
Disposal of treasury shares							4
Retirement of treasury shares							–
Decrease in the number of consolidated subsidiaries							262
Net changes of items other than shareholders' equity	8,595	(1,149)	25,182	(3,476)	29,152	41	29,194
Total changes of items during period	8,595	(1,149)	25,182	(3,476)	29,152	41	60,398
Balance at end of current period	34,455	(1,820)	43,071	(2,163)	73,543	17,747	1,087,262

Notes to the Consolidated Financial Statements

From April 1, 2014 to March 31, 2015

[Basis of Preparing Consolidated Financial Statements]

1. Scope of consolidation

(1) Number of consolidated subsidiaries

Number of consolidated subsidiaries: 69

Names of principal consolidated subsidiaries

TOKYO GAS AUSTRALIA PTY LTD, Tokyo Gas America Ltd., Tokyo Gas Urban Development Co., Ltd., Tokyo Gas International Holdings B.V., Ohgishima Power Co., Ltd., Tokyo Gas Site Development Co., Ltd., Nagano Toshi Gas Inc., ENERGY ADVANCE Co., Ltd., Gastar Co., Ltd., Tokyo LNG Tanker Co., Ltd., Tokyo Gas Energy Co., Ltd., Capty Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Chiba Gas Co., Ltd., Tokyo Gas Lease Co., Ltd., TG Information Network Co., Ltd., Tokyo Gas Engineering Co., Ltd., and Nijio Co., Ltd.

2. Application of equity method

(1) Number of associates accounted for using equity method

Number of associates accounted for using equity method: 6

Name of principal entities accounted for using equity method:

TOKYO TIMOR SEA RESOURCES INC., GAS MALAYSIA BERHAD

(2) Names, etc. of principal associates not accounted for using equity method

The Company's principal associates not accounted for using equity method is Ark Hills Heat Supply Co., Ltd.

The associates not accounted for using equity method were excluded from the scope of application of equity methods, due to the immaterial effect of net income or loss (amount corresponding to our interest) and the total of retained earnings and others (amount corresponding to our interest) on the Consolidated Financial Statements and, as a whole, their insignificance.

3. Accounting policies

(1) Valuation bases and methods of significant assets

1) The valuation basis and method of securities are as follows:

Held-to-maturity debt securities are stated at amortized cost.

Available-for-sale securities with readily determinable fair value are carried at fair value based on the market price at the year end, etc., with valuation differences, reported in a separate component of net assets. The cost of securities sold is determined by the moving-average method.

Available-for-sale securities with no readily determinable fair value are stated at cost, as determined by the moving-average method.

2) Derivatives are valued by the fair value method.

3) Inventories (finished goods, raw materials and supplies) are stated at cost, as determined by the moving-average method (consolidated balance sheet values are calculated using the book value reduction method based on declining profitability).

(2) Methods of depreciation and amortization of significant depreciable assets

1) The declining-balance method is mainly applied for property, plant and equipment. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998. Durable years are determined based on the 'Corporation Tax Act'.

2) The straight-line method is mainly applied for intangible assets. Software for internal use is amortized by the straight-line method over the internally available period.

(3) Basis for significant provisions

1) To reserve for loss on doubtful accounts such as accounts receivable - trade and loans receivable, etc., general allowances are provided using a rate determined by past bad debts experience and also specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibles of certain doubtful accounts such as bankruptcy/ rehabilitation claims.

2) The Company and certain consolidated subsidiaries provide provision for gas holder repairs for periodic maintenance and repair of spherical gas holding tanks by distributing the estimated related costs to each fiscal term during the period until the next scheduled repair.

3) Provision for safety measures is an allowance to provide outlays for expenses required to ensure the safety of gas consumers and aged gas pipes for which the Company has announced to take early measures. The estimated future expenses required after the consolidated balance sheet date are individually recorded.

4) Provision for appliance warranties is an allowance to provide outlays for expenses required for services during warranty periods of appliances sold. The estimated future expenses required after the consolidated balance sheet date are recorded.

5) Provision for loss on guarantees is an allowance to reserve for loss on guarantees. The estimated loss burden is recorded in consideration of factors such as the financial position of the guaranteed party.

(4) Other significant matters for preparing Consolidated Financial Statements

1) All accounting transactions are booked exclusive of consumption taxes.

2) Method and period of amortization of goodwill
Goodwill is amortized over twenty years or less under the straight-line method depending on the reasons for recognition of goodwill.

3) Method for Accounting for Retirement Benefits
To provide for retirement benefits to employees, the Company records the amount of retirement benefit obligations, based on the estimated amount at the end of the current fiscal year, minus pension plan assets as a net defined benefit liability; note, however, that, in the case where the amount of pension assets exceeds that of retirement benefit obligations, it is recorded as a net defined benefit asset.
Actuarial differences are mainly recorded as expenses in one lump-sum in the fiscal year following the fiscal year in which the actuarial gain or loss incurs.
Unrecognized actuarial differences and unrecognized prior service costs are posted as remeasurements of defined benefit plans in accumulated other comprehensive income under the net assets section after adjusting for tax effects. In the calculation of retirement

benefit obligations, expected benefits are attributed to the period up until the fiscal year under review on the benefit formula basis.

4. Changes in basis of preparing consolidated financial statements

(1) Changes in accounting policies

1) Effective from the fiscal year under review, the Company and certain domestic consolidated subsidiaries adopted "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26 issued on May 17, 2012; hereinafter referred to as "Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25 issued on May 17, 2012; hereinafter referred to as "Guidance") with regard to the provisions set forth in the main clauses of Paragraph 35 of Standard and Paragraph 67 of Guidance. Under the Standard and Guidance, the calculation of retirement benefit obligations and service costs has been revised and the method of attributing expected benefits to periods has been changed from the straight-line basis to the benefit formula basis. The determination of discount rate has been also changed from the method of using the discount rate corresponding to the average remaining service life of employees to the method of using a single weighted average discount rate reflecting the estimated timing of benefit payment and the amount corresponding to the timing thereof.

The application of Standard and Guidance is in accordance with transitional treatment provided for in Paragraph 37 of Standard, and the impact resulting from the change in the calculation method of retirement benefit obligations and service costs is added to or deducted from retained earnings at the beginning of the fiscal year under review. The impact of this change on retained earnings is immaterial and has immaterial impact on operating income, ordinary income and income before income taxes and minority interests for the fiscal year under review.

Note that the impact on net assets per share and net income per share for the fiscal year under review is also immaterial.

[Explanatory notes regarding the consolidated balance sheet]

1. Assets pledged as collateral

(1) Breakdown of assets

Other facilities	¥7 million
Construction in progress	¥26,467 million
Investment securities	¥19,928 million
Long-term loans receivable	¥31 million
Cash and deposits	¥3,162 million
Securities	¥10 million

(2) Liabilities secured by the collaterals

Other current liabilities	¥50 million

2. Accumulated depreciation of property, plant and equipment ¥3,571,077 million

3. Guarantee obligation etc.

(1) Guarantee obligation	¥45,405 million
(2) Contingent liabilities related to debt-assumption underwriting contracts on corporate bonds	¥9,200 million

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

1. Number of shares issued as of the end of this fiscal year 2,446,778,295 shares

2. Dividends

(1) Dividends of surplus of this fiscal year

1) The following was decided by the resolution of the Annual Shareholders Meeting held on June 27, 2014.

・ Dividends of common share

(a) Total amount of dividends	¥12,556 million
(b) Dividends per share	¥5.00
(c) Date of record	March 31, 2014
(d) Effective date	June 30, 2014

2) The following was decided by the meeting of the Board of Directors held on October 30, 2014.

・ Dividends of common share

(a) Total amount of dividends	¥12,201 million
(b) Dividends per share	¥5.00
(c) Date of record	September 30, 2014
(d) Effective date	November 28, 2014

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

The following will be proposed at the Annual Shareholders Meeting to be held on June 26, 2015.

・ Dividends of common share

(a) Total amount of dividends	¥12,201 million
(b) Resource of dividends	Retained earnings
(c) Dividends per share	¥5.00
(d) Date of record	March 31, 2015
(e) Effective date	June 29, 2015

[Explanatory notes regarding financial instruments]

1. Matters related to the status of financial instruments

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

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

Bonds payable and loans payable are mainly for capital investment (long-term) and for working capital (short-term), and we fix interest expenses by using interest rate swap transactions against the interest volatility risk involved in part of our long-term loans payable. In addition, when performing derivatives trading, we will draw up a plan therefor in accordance with our internal management rules and conduct the derivatives trading after receiving official approval.

2. Matters related to the fair value of financial instruments

The following are the amounts on the consolidated balance sheet, their fair values and differences as of March 31, 2015.

(Millions of yen)

	Amount on the consolidated balance sheet (*1)	Fair value (*1)	Difference
(1) Investment securities and other securities	129,987	151,043	21,055
(2) Notes and accounts receivable - trade	250,326	250,326	-
(3) Bonds payable (*2)	[356,496]	[388,344]	(31,847)
(4) Long-term loans payable (*2)	[352,854]	[381,339]	(28,485)
(5) Derivatives	(1,262)	(1,262)	-

(*1) Figures in square brackets are those listed under liabilities.

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

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

(1) Investment securities and other securities

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

(2) Notes and accounts receivable - trade

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

(3) Bonds payable

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

(4) Long-term loans payable

The fair value of long-term loans payable is measured by using a method in which the aggregate amount of principal and interest is discounted at the assumed interest rates for similar new loans payable. Of the Group's long-term loans payable with variable interest rates, the fair value of those subject to special accounting treatment for fixed interest rate swap transactions (see (5) below) is measured by using a method in which the aggregate amount of principal and interests treated with the said fixed interest rate swap transactions is discounted at the assumed interest rates for similar new loans payable.

(5) Derivatives
The fair value of derivatives is measured based on the prices presented by financial institutions with which we have transactions. Their fair value is included in the fair value of the said long-term loans payable, because interest rate swap transactions given the special accounting treatment are treated together with hedged long-term loans payable (see (4) above).

(Note 2) Shares of subsidiaries and associates (¥51,845 million on the consolidated balance sheet) as well as unlisted shares and others (¥60,343 million on the consolidated balance sheet) are not included in '(1) Investment securities and other securities' because they do not have market prices and therefore it is extremely difficult to determine their fair value.

[Explanatory notes regarding investment and rental properties]

1. Matters related to status of investment and rental properties
The Company and some subsidiaries have office buildings for rent and other properties (including land under development) in Tokyo and other regions.

2. Matters related to the fair value of investment and rental properties

(Millions of yen)

Amount on the consolidated balance sheet	Fair value
69,888	368,739

(Note 1) The amount on the consolidated balance sheet is the amount of acquisition cost less accumulated depreciation.

(Note 2) The fair value at the end of this fiscal year is mainly based on real-estate appraisal documents prepared by real-estate appraisers.

[Explanatory notes regarding per share information]

1. Net assets per share ¥438.28
2. Net income per share ¥39.15

[Explanatory notes regarding material subsequent events]

The Company decided by resolution at the meeting of the Board of Directors held on April 28, 2015 to acquire own shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provision of Article 165, paragraph 3 of the said Act.

Details of the acquisition of own shares are as follows:

- Number of shares to be repurchased: 50,000 thousand shares(maximum: 2.0% of total number of shares issued)
- Type of money to be paid in exchange for shares and aggregate amount thereof: Cash, a maximum of ¥34,000 million
- Period during which the Company can repurchase shares: April 30, 2015 – March 31, 2016

[Other Explanatory notes]

1. Impairment loss
In the fiscal year under review, the Group recognized impairment loss primarily on the following asset groups.

(Millions of yen)

Place	Use	Type	Amount
The Barnett Basin /Texas, U.S.	Shale gas development project	Intangible assets (Other)	23,038
The Surat Basin /Queensland, Australia and others	Unconventional natural gas project	Property, plant and equipment (Other facilities and construction in progress)	6,527

For its calculation of impairment loss, the Group groups assets into smallest units generating cash flows that are largely independent of the cash flows from other assets or asset groups.
As for the mining area at Barnett Basin in Texas of the U.S., after the business value was revalued due to the impact of a slump in North American gas prices and a decline in crude oil prices, the book value was written down to its recoverable value. This reduction has been recorded as impairment loss under extraordinary losses.
As for the production and liquefaction facilities at the Surat Basin in Queensland of Australia and others, after the business value was revalued due to the impact of an increase in development expenses and a decline in crude oil prices, the book value was written down to its recoverable value. This reduction has been recorded as impairment loss under extraordinary losses.
Recoverable values of these asset groups were measured at value in use, calculated by discounting respective future cash flows primarily by 7.5%.

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

Non-Consolidated Statement of Changes in Equity

From April 1, 2014 to March 31, 2015

(Millions of yen)

	Shareholders' equity									
		Capital surplus		Retained earnings						
					Other retained earnings					
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for advanced depreciation of non-current assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	141,844	2,065	2,065	35,454	856	13,213	141,000	299,000	124,075	613,599
Cumulative effects of changes in accounting policies									(2,482)	(2,482)
Restated balance	141,844	2,065	2,065	35,454	856	13,213	141,000	299,000	121,593	611,117
Changes of items during period										
Provision of reserve for advanced depreciation of non-current assets					751				(751)	
Provision of reserve for overseas investment loss						356			(356)	
Reversal of reserve for overseas investment loss						(439)			439	
Provision of general reserve								40,000	(40,000)	
Dividends of surplus									(24,757)	(24,757)
Net income									103,863	103,863
Purchase of treasury shares										
Disposal of treasury shares										
Retirement of treasury shares									(40,057)	(40,057)
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	-	-	750	(83)	-	40,000	(1,619)	39,048
Balance at end of current period	141,844	2,065	2,065	35,454	1,607	13,129	141,000	339,000	119,973	650,165

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total Valuation and translation adjustments	
Balance at beginning of current period	(3,643)	753,865	25,101	(5,686)	19,414	773,280
Cumulative effects of changes in accounting policies		(2,482)				(2,482)
Restated balance	(3,643)	751,383	25,101	(5,686)	19,414	770,797
Changes of items during period						
Provision of reserve for advanced depreciation of non-current assets						-
Provision of reserve for overseas investment loss						-
Reversal of reserve for overseas investment loss						-
Provision of general reserve						-
Dividends of surplus		(24,757)				(24,757)
Net income		103,863				103,863
Purchase of treasury shares	(40,132)	(40,132)				(40,132)
Disposal of treasury shares	3	4				4
Retirement of treasury shares	40,057					-
Net changes of items other than shareholders' equity			8,664	(7,473)	1,190	1,190
Total changes of items during period	(71)	38,977	8,664	(7,473)	1,190	40,167
Balance at end of current period	(3,715)	790,360	33,765	(13,159)	20,605	810,965

Notes to the Non-Consolidated Financial Statements

From April 1, 2014 to March 31, 2015

1. Significant accounting policies

(1) Valuation bases and methods of assets

1) The valuation basis and method of securities are as follows:
Shares of subsidiaries and associates are stated at cost, as determined by the moving-average method.
Available-for-sale securities with readily determinable fair value are carried at fair value based on the market price at the year end, etc., with valuation differences, reported in a separate component of net assets. The cost of securities sold is determined by the moving-average method.
Available-for-sale securities with no readily determinable fair value are stated at cost, as determined by the moving-average method.

2) Derivatives are valued by the fair value method.

3) Inventories (finished goods, raw materials and supplies) are stated at cost, as determined by the moving-average method (balance sheet values are calculated using the book value reduction method based on declining profitability).

(2) Methods of depreciation and amortization of non-current assets

1) The declining-balance method is applied for property, plant and equipment. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998.
Durable years are determined based on the 'Corporation Tax Act'.

2) The straight-line method is applied for intangible assets.
Software for internal use is amortized by the straight-line method over the internally available period.

(3) Basis for provisions

1) To reserve for loss on doubtful accounts such as accounts receivable - trade and loans receivable, etc., general allowances are provided using a rate determined by past bad debts experience and also specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibles of certain doubtful accounts such as bankruptcy/ rehabilitation claims.

2) The Company provides provision for retirement benefits in the amount of the deemed obligations as of the balance sheet date based on the estimated amount of projected benefit obligation and the estimated fair value of the pension plan assets at that date.
Actuarial differences are recorded as expenses in one lump-sum in the fiscal year following the fiscal year in which the actuarial gain or loss incurs. In the calculation of retirement benefit obligations, expected benefits are attributed to periods up until the fiscal year under review on the benefit formula basis.

3) The Company provides provision for gas holder repairs for periodic maintenance and repair of spherical gas holding tanks by distributing the estimated related costs to each fiscal term during the period until the next scheduled repair.

4) Provision for safety measures is an allowance to provide outlays for expenses required to ensure the safety of gas consumers and aged gas pipes for which the Company has announced to take early measures. The estimated future expenses required after the balance sheet date are individually recorded.

5) Provision for appliance warranties is an allowance to provide outlays for expenses required for services during warranty periods

of appliances sold. The estimated future expenses required after the balance sheet date are recorded.

6) Provision for loss on guarantees is an allowance to reserve for loss on guarantees. The estimated loss burden is recorded in consideration of factors such as the financial position of the guaranteed party.

(4) All accounting transactions are booked exclusive of consumption taxes.

(5) Changes in accounting policies

Effective from the fiscal year under review, the Company adopted "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26 issued on May 17, 2012; hereinafter referred to as "Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on May 17, 2012; hereinafter referred to as "Guidance") with regard to the provisions set forth in the main clauses of Paragraph 35 of Standard and Paragraph 67 of Guidance. Under the Standard and Guidance, the calculation of retirement benefit obligations and service costs has been revised and the method of attributing expected benefits to periods has been changed from the straight-line basis to the benefit formula basis. The determination of discount rate has been also changed from the method of using the discount rate corresponding to the average remaining service life of employees to the method of using a single weighted average discount rate reflecting the estimated timing of benefit payment and the amount corresponding to the timing thereof. The application of Standard and Guidance is in accordance with transitional treatment provided for in Paragraph 37 of Standard, and the impact resulting from the change in the calculation method of retirement benefit obligations and service costs is added to or deducted from retained earnings at the beginning of the fiscal year under review. The impact of this change on retained earnings is immaterial and has immaterial impact on operating income, ordinary income and income before income taxes for the fiscal year under review. Note that the impact on net assets per share and net income per share for the fiscal year under review is also immaterial.

2. Explanatory notes regarding the non-consolidated balance sheet

(1) Assets pledged as collateral

Investment securities	¥541 million
Investments in subsidiaries and associates	¥10,586 million
Long-term loans receivable	¥31 million
(Liabilities secured by the collaterals	—)

(The above assets are pledged as collateral against debts incurred by companies in which the Company has invested.)

(2) Accumulated depreciation

Property, plant and equipment	¥2,949,116 million
Intangible assets	¥25,820 million

(3) Guarantee obligation, etc.

Guarantee obligation	¥109,710 million
Joint and several liabilities	¥13,800 million
Contingent liabilities related to debt-assumption underwriting contracts on corporate bonds	¥9,200 million

3. Explanatory notes regarding the non-consolidated statement of income

Trading volume with subsidiaries and associates

Net sales	¥285,254 million
Purchases	¥346,370 million
Trading volume other than net sales and purchases	¥21,389 million

4. Explanatory notes regarding the non-consolidated statement of changes in equity

Number of shares of treasury shares as of the end of this fiscal year
6,540,207 shares

5. Explanatory notes regarding deferred tax accounting

Principal sources of deferred tax assets and deferred tax liabilities

Deferred tax assets	Provision for retirement benefits
Deferred tax liabilities	Valuation difference on available-for-sale securities

6. Explanatory notes regarding transactions with related parties

Subsidiaries

Name	Percentage of voting rights holding (or being held) (%)	Relationship with related party	Contents of transaction	Amount of transaction (millions of yen)	Account name	Amount outstanding as of the end of FY2014 (millions of yen)
TOKYO GAS PLUTO PTY LTD.	Holding Indirect 100.0	Subsidiary	Loan guarantee (*)	42,118	—	—

Business terms and policies for determination of business terms

(*) A decision is made comprehensively after due consideration of the project plan.

7. Explanatory notes regarding per share information

Net assets per share	¥332.33
Net income per share	¥42.43

8. Explanatory notes regarding material subsequent events

The Company decided by resolution at the meeting of the Board of Directors held on April 28, 2015 to acquire own shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provision of Article 165, paragraph 3 of the said Act. Details of the acquisition of own shares are as follows:

- Number of shares to be repurchased:
  Up to 50,000 thousand shares (2.0% of the common shares outstanding)
- Type of money to be paid in exchange for shares and aggregate amount thereof:
  Cash, up to ¥34,000 million
- Period during which the Company can repurchase shares:
  April 30, 2015 – March 31, 2016

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