

# Communication with Stakeholders

The Toho Gas Group will provide better services to customers, strengthen activities aimed at contributing to local communities, step up investor relation (IR) activities and enhance collaboration with client companies. By doing

so, the Group aims to become a company which continues to be trusted and supported by stakeholders, including customers, local communities, shareholders, investors, client companies and employees.

## ◆ Customers

### Promotion of CS

Toho Gas has adopted a basic companywide policy on customer satisfaction (CS) activities at a CS promotion conference, composed of board directors and department general managers. Based on this policy, the Company is making group-wide efforts to share and reflect customer requests in the Group's overall activities and implement

measures to enhance CS. Joining forces to promote this policy are the meeting of executives set up in-house to promote CS, CS-related sections established within departments, affiliated companies, ENEDO sales shops and companies forming partnerships with Toho Gas, such as gas construction companies.

### Responding to customer requests

The requests Toho Gas receives from customers through various contacts with them are sorted and developed into a database, which the Company manages in an integrated manner while seeing them as a valuable business resource.

Database information is shared among relevant departments of the Company. Based on the database, the Company is prepared to implement necessary measures expeditiously to improve business operations and provide better service.

## ◆ Local Communities

### “Satoyama” preservation activities through “Ohwa Satoyama-no-Kai”

“Ohwa Satoyama-no-Kai” is a volunteer group set up in-house to promote the preservation of “Satoyama,” sustainable human-influenced natural environments. Participating in the initiative are employees of Toho Gas and its group companies, and their families. They are striving to preserve forest in designated areas: “Toho Gas-no-Mori” in Gifu and Mie Prefectures, and “Higashiyama-no-Mori” in Aichi Prefecture.



Tree-planting activity in “Toho Gas-no-Mori”

### Activities aimed at supporting school education

Toho Gas dispatches some of its employees to local elementary and junior high schools to hold special classes on energy, environment and food education. In FY2016,

employees were sent to 102 schools for a total of 242 classes, conducted to teach children who will play an important role in society in the future in the three fields.

## ◆ Client Companies

### Procurement activities

To ensure fair and just procurement of materials and equipment, Toho Gas has adopted a code of conduct and basic policies regarding procurement activities. In procuring materials and equipment, the Company has pledged to observe compliance, promote environmental friendliness and ensure safety in collaboration with suppliers. By doing

so, the Company aims to fulfill its social responsibility.

Toho Gas procures materials and equipment while ensuring fairness at all supply chains. Specifically, the Company visits suppliers and inspects their manufacturing operations to verify not only the quality of their products but also their safety. The Company also checks if suppliers

manage customer data adequately so as to prevent their personal information from leaking to third parties.

Toho Gas has been promoting “green procurement” under the green procurement guidelines, which stipulate procurement rules on office supplies, gas pipeline materials

and construction works to help reduce the impact on the environment from the Company’s business operations and promote biodiversity. Toho Gas has joined hands with 12 major partner companies to promote “green procurement.”

## ◆ Employees

### Respect human rights in personnel management

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Basic policies adopted by Toho Gas for personnel management are to ensure fairness and justice in evaluating employee performance and deciding their work positions so that they can gain a sense of fulfillment and enhance their skills while using their capability to the fullest possible extent. Under this policy, the Company implements personnel management measures, all aimed at eliminating

discrimination based on creed and gender, and respecting each employee’s personality. The Company is also striving to develop a work environment in which employees can work free of care. Introduced for that purpose are support measures to improve employees’ work-life balance, and steps to enhance their health and safety.

### Employment and development of human resources

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Toho Gas aims to hire personnel who can take on challenging tasks and carry out them while thinking flexibly without necessarily sticking to precedents. To ensure fairness and justice in selection, details of our recruitment policy are disclosed to potential applicants through our website and briefing sessions. The employee turnover rate averaged only 1.03% per year during the 2014-2016 period.

Toho Gas recognizes human resources as a primary source for its growth and development. For each employee to fulfill their expected role and produce the intended results, the Company develops their business ability by promoting not only on-the-job training (OJT) but also off-the-job training (OFFJT), such as educational seminars.

### Utilization of various human resources

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As part of its efforts to promote empowerment of women in society, Toho Gas holds a career-support training seminar targeting young female workers and medium-ranked female workers, and a seminar intended for workers planning to take maternity leave to make their work compatible with child rearing. Workers taking maternity leave have company-sponsored consultations six months before their scheduled return to their job to smooth their transition to work. In addition, the Company sponsors a seminar for workers in managerial positions to foster a work culture in which female workers can play a key role in business operations. Toho Gas is ready to provide managerial and other key positions to any employee deemed capable and fit

for certain roles regardless of their gender. The Company aims to double the number of female workers in managerial positions at the end of FY2020 compared with the end of FY2014.

Toho Gas is stepping up the hiring of people with disabilities to support their financial independence and participation in society. The employment rate of people with disabilities at the Company stood at 2.12% as of April 2017, above the minimum requirement of 2.0% set under the law. These employees are given various assignments in various sections at Toho Gas. The Company will continue to hire such employees actively while expanding the sections and fields where they can work.

### Promotion of safety and sanitation activities

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Chaired by the President, Toho Gas holds a meeting of the central safety and sanitation committee twice a year. Moreover, every July, the Company holds a company-wide safety meeting. It promotes safety and sanitation activities in line with a requirement for risk management against

chemical substances, which became mandatory in June 2016. Absence rate due to workplace accidents\* came to 0.18 at Toho Gas in FY2016, compared with the average 1.63 for all industries.

\*The number of incidences of temporary absence due to workplace accidents recorded per 1 million hours of total work