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Securities Code: 9535

June 5, 2018

To our shareholders:

Kensuke Matsufuji
Representative Director and President
HIROSHIMA GAS CO., LTD.
2-7-1, Minami-machi Minami-ku, Hiroshima

Notice of the 164th Annual General Meeting of Shareholders

You are cordially invited to attend the 164th Annual General Meeting of Shareholders of HIROSHIMA GAS CO., LTD. (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Monday, June 25, 2018 (JST) either by indicating your approval or disapproval of the proposals in the enclosed voting form and then returning the form to the Company by postal mail, or entering your approval or disapproval of the proposals on the website for exercising voting rights specified by the Company (<https://evote.tr.mufg.jp/>).

1. Date and Time: Tuesday, June 26, 2018, at 10:00 a.m. (JST) [Reception will open at 9:15 a.m. (JST)]

2. Venue: Gastopia Center of the Company, 6F Convention Hall
1-30, Minamitakeya-cho, Naka-ku, Hiroshima

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements for the 164th fiscal year (from April 1, 2017 to March 31, 2018)
2. The results of audits of the Consolidated Financial Statements for the 164th fiscal year by the Financial Auditor and Audit & Supervisory Board

Matters to be resolved:

- Proposal No. 1** Election of 11 Directors
Proposal No. 2 Election of one Audit & Supervisory Board Member

- If you attend the meeting in person, please submit the enclosed voting form at the reception.
- The “Consolidated Statement of Changes in Net Assets” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements and the “Statement of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are posted on the Company’s website (<http://www.hiroshima-gas.co.jp/>) pursuant to applicable laws and regulations and the provisions of the Articles of Incorporation of the Company. The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Financial Auditor include the documents posted on the Company’s website above, in addition to the relevant documents stated in this Notice.
- In the event that there are any revisions to the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements or the Reference Documents for the General Meeting of Shareholders, the notice for such revisions will be posted on the Company’s website above.

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Election of 11 Directors

At the conclusion of this annual general meeting of shareholders, the terms of office of all 11 Directors will expire. Therefore, the Company proposes the election of 11 Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company		Reference page
1	Kozo Tamura	Representative Director and Chairman	Reelection	Page 3
2	Kensuke Matsufuji	Representative Director and President (in charge of Energy Business Division)	Reelection	Page 3
3	Taizo Tadehara	Director, Senior Executive Officer (in charge of General Affairs Department, Human Resources Department, Finance & Accounting Department and IT Promotion Department)	Reelection	Page 4
4	Takeshi Tanimura	Director, Senior Executive Officer (General Manager of Corporate Planning Department, in charge of Secretarial Department and affiliated companies)	Reelection	Page 5
5	Tomohiko Nakagawa	Director, Executive Officer (General Manager of Production Business Division, in charge of Purchasing Department and Raw Materials Department)	Reelection	Page 5
6	Kentaro Obara	Director, Executive Officer (General Manager of Energy Business Division)	Reelection	Page 6
7	Kazunori Tamura	Director, Executive Officer (General Manager of Pipeline Business Division, in charge of Technical Research Institute)	Reelection	Page 6
8	Isao Sumihiro	Outside Director	Reelection Outside Independent	Page 6
9	Masao Mukuda	Outside Director	Reelection Outside Independent	Page 7
10	Masato Kitamae	Outside Director	Reelection Outside Independent	Page 7
11	Hiroshi Segawa	Outside Director	Reelection Outside Independent	Page 7

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kozo Tamura (June 22, 1951) Reelection	<p>Apr. 1977 Joined the Company</p> <p>June 2002 General Manager of Raw Materials Department</p> <p>June 2005 Executive Officer and General Manager of Raw Materials Department</p> <p>June 2009 Director, Executive Officer (General Manager of Corporate Planning Department, Management Headquarters, in charge of Secretarial Department, Hatsukaichi LNG Terminal, Bingo Plant and affiliated companies)</p> <p>Apr. 2010 Representative Director and President (in charge of Energy Business Division)</p> <p>June 2017 Representative Director and Chairman (current position)</p> <p>Significant concurrent positions outside the Company Outside Director of Hiroshima Electric Railway Co., Ltd.</p>	65,600 shares
<p>Reasons for nomination as candidate for Director</p> <p>Kozo Tamura has mainly engaged in duties related to corporate planning and raw materials. He served as Representative Director and President for around seven years from April 2010 to June 2017 and has served as Chairman of the Board of Directors as Representative Director and Chairman since June 2017, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</p>			
2	Kensuke Matsufuji (November 27, 1959) Reelection	<p>Apr. 1983 Joined the Company</p> <p>June 2007 General Manager of Secretarial Department</p> <p>June 2010 General Manager of Public Relations and Environment Department, Management Headquarters</p> <p>June 2011 Executive Officer and General Manager of Residential Energy Sales Department, Energy Business Division</p> <p>June 2013 Director, Executive Officer (General Manager of Finance & Accounting Department, Management Headquarters, in charge of Secretarial Department and Raw Materials Department, Management Headquarters)</p> <p>June 2015 Director, Senior Executive Officer (General Manager of Energy Business Division)</p> <p>June 2017 Representative Director and President (in charge of Energy Business Division) (current position)</p>	23,100 shares
<p>Reasons for nomination as candidate for Director</p> <p>Kensuke Matsufuji has mainly engaged in duties related to sales. Assuming the office as Representative Director in June 2017, he has served as President, the position with ultimate responsibility for execution of business of the Company, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Taizo Tadehara (April 8, 1956) Reelection	<p>Apr. 1979 Joined the Company</p> <p>June 2005 General Manager of Finance & Accounting Department</p> <p>June 2006 General Manager of Purchasing Department, Management Headquarters</p> <p>June 2012 Executive Officer and Manager of Onomichi Branch, Energy Business Division</p> <p>June 2014 Executive Officer, Deputy General Manager of Energy Business Division and General Manager of Sales Planning Department</p> <p>June 2015 Director, Executive Officer (General Manager of Corporate Planning Department, in charge of IT Promotion Department, Management Headquarters, and affiliated companies)</p> <p>Apr. 2016 Director, Senior Executive Officer (General Manager of Corporate Planning Department, in charge of Secretarial Department, Purchasing Department, IT Promotion Department and affiliated companies)</p> <p>Oct. 2017 Director, Senior Executive Officer (In charge of General Affairs Department, Human Resources Department, Finance & Accounting Department and IT Promotion Department) (current position)</p>	5,900 shares
<p>Reasons for nomination as candidate for Director</p> <p>Taizo Tadehara has mainly engaged in duties related to purchasing, raw materials and accounting. An Executive Officer since 2012, he served as Manager of Onomichi Branch and General Manager of Corporate Planning Department. Currently a Director, Senior Executive Officer, he supervises the General Affairs Department and the Finance & Accounting Department, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
4	Takeshi Tanimura (November 7, 1961) Reelection	Apr. 1984	Joined the Company	11,700 shares
		Apr. 2009	General Manager of Supply Facility Department, Pipeline Business Division	
		June 2011	General Manager of Hatsukaichi LNG Terminal	
		June 2012	Executive Officer and General Manager of Hatsukaichi LNG Terminal	
		June 2015	Director, Executive Officer (General Manager of Finance & Accounting Department, Management Headquarters, in charge of Secretarial Department and Raw Materials Department, Management Headquarters)	
		Apr. 2016	Director, Executive Officer (General Manager of Finance & Accounting Department, in charge of General Affairs Department, Human Resources Department and Raw Materials Department)	
		June 2017	Director, Senior Executive Officer (General Manager of Corporate Planning Department, in charge of Secretarial Department and affiliated companies) (current position)	
		Significant concurrent positions outside the Company Representative Director and President, Kaita Biomass Power Co., Ltd.		
Reasons for nomination as candidate for Director Takeshi Tanimura has mainly engaged in duties related to gas supply and production. An Executive Officer since 2012, he served as General Manager of Hatsukaichi LNG Terminal and General Manager of Finance & Accounting Department. Currently a Director, Senior Executive Officer, he serves as General Manager of Corporate Planning Department, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.				
5	Tomohiko Nakagawa (March 23, 1963) Reelection	Apr. 1987	Joined the Company	11,900 shares
		Apr. 2009	General Manager of Purchasing Department, Management Headquarters	
		June 2013	Executive Officer and General Manager of Raw Materials Department, Management Headquarters	
		Apr. 2016	Executive Officer and General Manager of Raw Materials Department	
		June 2016	Director, Executive Officer (General Manager of Production Business Division, in charge of Purchasing Department and Raw Materials Department) (current position)	
		Significant concurrent positions outside the Company Director/Chairman of Maple LNG Transport Inc.		
Reasons for nomination as candidate for Director Tomohiko Nakagawa has mainly engaged in duties related to gas supply and raw materials. An Executive Officer since 2013, he served as General Manager of Raw Materials Department. Currently a Director, Executive Officer, he serves as General Manager of Production Business Division, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
6	Kentaro Obara (July 30, 1962) Reelection	Apr. 1985 June 2010 June 2011 June 2013 June 2017	Joined the Company Chief of Corporate Planning Office, Corporate Planning Department, Management Headquarters General Manager of Public Relations and Environment Department, Management Headquarters Executive Officer and General Manager of Residential Energy Sales Department, Energy Business Division Director, Executive Officer (General Manager of Energy Business Division) (current position)	23,500 shares
		<p>Reasons for nomination as candidate for Director</p> <p>Kentaro Obara has mainly engaged in duties related to sales, general affairs and corporate planning. An Executive Officer since 2013, he served as General Manager of Residential Energy Sales Department. Currently a Director, Executive Officer, he serves as General Manager of Energy Business Division, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</p>		
7	Kazunori Tamura (August 12, 1962) Reelection	Apr. 1985 June 2010 June 2014 Apr. 2016 June 2017	Joined the Company General Manager of Sales Planning Department, Energy Business Division Executive Officer and Manager of Kure Branch and Kumano Office, Energy Business Division Executive Officer and General Manager of Supply Facility Department, Pipeline Business Division Director, Executive Officer (General Manager of Pipeline Business Division, in charge of Technical Research Institute) (current position)	9,300 shares
		<p>Significant concurrent positions outside the Company</p> <p>Representative Director and President, Setouchi Pipeline Co., Ltd.</p> <p>Reasons for nomination as candidate for Director</p> <p>Kazunori Tamura has mainly engaged in duties related to gas supply, corporate planning and sales planning. An Executive Officer since 2014, he served as Manager of Kure Branch and General Manager of Supply Facility Department. Currently a Director, Executive Officer, he serves as General Manager of Pipeline Business Division, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</p>		
8	Isao Sumihiro (January 1, 1944) Reelection Outside Independent	Apr. 1967 June 2006 June 2012 June 2007	Joined The Hiroshima Bank, Ltd. Representative Director and President Representative Director and Chairman (current position) Director of the Company (current position)	0 share
		<p>Tenure as outside Director</p> <p>11 years at the end of the Annual General Meeting of Shareholders</p> <p>Reasons for nomination as candidate for outside Director</p> <p>Isao Sumihiro has extensive experience and deep insight as manager of a financial institution. The Company hereby proposes his reelection as Director to seek his opinion on the Company's management from his objective standpoint.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Masao Mukuda (November 24, 1946) Reelection Outside Independent	Mar. 1969 Joined Hiroshima Electric Railway Co., Ltd. Jan. 2013 Representative Director and President (current position) June 2013 Director of the Company (current position) Tenure as outside Director Five years at the end of the Annual General Meeting of Shareholders	0 share
		Reasons for nomination as candidate for outside Director Masao Mukuda has extensive experience and deep insight as manager of a business corporation. The Company hereby proposes his reelection as Director to seek his opinion on the Company's management from his objective standpoint.	
10	Masato Kitamae (November 20, 1952) Reelection Outside Independent	Apr. 1976 Joined Osaka Gas Co., Ltd. Apr. 2011 Representative Director, Executive Vice President Apr. 2015 Director June 2015 Adviser (current position) June 2015 Director of the Company (current position) Tenure as outside Director Three years at the end of the Annual General Meeting of Shareholders	0 share
		Reasons for nomination as candidate for outside Director Masato Kitamae has extensive experience and deep insight as he was involved in managing gas business for long years. The Company hereby proposes his reelection as Director to seek his opinion on the Company's management from an objective standpoint.	
11	Hiroshi Segawa (March 6, 1955) Reelection Outside Independent	Apr. 1978 Joined The Chugoku Electric Power Company, Inc. June 2014 Managing Director June 2016 Director and Audit and Supervisory Committee Member (current position) June 2016 Director of the Company (current position) Tenure as outside Director Two years at the end of the Annual General Meeting of Shareholders	0 share
		Reasons for nomination as candidate for outside Director Hiroshi Segawa has extensive experience and deep insight as he has been involved in the same energy business field as the Company for long years. The Company hereby proposes his reelection as Director to seek his opinion on the Company's management from an objective standpoint.	

- Notes:
1. The Company guarantees obligations owed by Kaita Biomass Power Co., Ltd.
The Company guarantees obligations owed by Maple LNG Transport Inc.
The Company outsources part of the processing service of gas to Setouchi Pipeline Co., Ltd. The Company also conducts loans to Setouchi Pipeline Co., Ltd. and guarantees obligations owed by the company.
The Company has banking transactions with The Hiroshima Bank, Ltd.
The Company sells compressed natural gas to Hiroshima Electric Railway Co., Ltd.
 2. Isao Sumihiro, Masao Mukuda, Masato Kitamae and Hiroshi Segawa are candidates for outside Directors.
 3. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Isao Sumihiro, Masao Mukuda, Masato Kitamae and Hiroshi Segawa have been appointed as independent officers as provided for by the aforementioned exchange.
 4. Please see page 22 of the Business Report for an outline of the liability limitation agreement that the Company has entered into with Isao Sumihiro, Masao Mukuda, Masato Kitamae and Hiroshi Segawa (Japanese only).

Proposal No. 2 Election of one Audit & Supervisory Board Member

As Audit & Supervisory Board Member Hiroyuki Ito will resign at the end of this annual general meeting of shareholders. Therefore, the Company proposes the election of one Audit & Supervisory Board Member.

In addition, the consent of Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Kenichi Okimoto (May 3, 1959) New election	Apr. 1983 Joined the Company June 2010 General Manager of Internal Control Promotion Department, Management Headquarters June 2015 Executive Officer, Deputy General Manager of Energy Business Division and General Manager of Sales Planning Department June 2017 Senior Executive Officer, Deputy General Manager of Energy Business Division and General Manager of Sales Planning Department Apr. 2018 Senior Executive Officer, General Manager of Corporate Planning Department (current position)	15,600 shares
Reasons for nomination as candidate for Audit & Supervisory Board Member Kenichi Okimoto has mainly engaged in duties related to finance and accounting and internal control and has extensive experience at the Company and a high level of knowledge about financial, accounting and other affairs. Accordingly, the Company hereby proposes his election as Audit & Supervisory Board Member.		

Note: No special interests exist between the above candidate and the Company.