

## Findings of internal investigation into the bidding process for Eco Station construction

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. ("Tokyo Gas") today announced the findings of an internal investigation into the bidding process for Eco Station construction, and announced that a report of the findings had been submitted to the Fair Trade Commission of Japan. Following media comment concerning Eco Station construction work, Tokyo Gas had voluntarily conducted an investigation into the bidding process for national government grant-aided construction work for Eco Stations, for which subsidiaries of Tokyo Gas had bid. With regard to four subsidiaries of Tokyo Gas -- Tokyo Gas Energy Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Tokyo Gas Engineering Co., Ltd., and Captly Co., Ltd. -- the investigation identified acts potentially violating Japan's Antimonopoly Act in the bidding process for some of the work, as set out below. Consequently, today, June 26, the Company filed a report concerning these matters with the Fair Trade Commission of Japan.

Tokyo Gas regards this situation as being extremely serious, and will collaborate fully and sincerely in the investigation to be conducted by the Fair Trade Commission of Japan. The Company will also make the utmost efforts to ensure that such a situation does not recur.

Tokyo Gas wishes to express its deepest apologies to its customers, shareholders, and other interested parties for the inconvenience and concern they have been subjected to as a result of this matter.

### Internal investigation

#### 1. Findings

- (1) Number of Eco Station construction work projects for which affiliated companies made bids: 73
- (2) Number of projects for which orders were received by each company, and number of such projects for which acts potentially in violation of the Antimonopoly Act have been identified:

	Number of orders received	Number where such acts have been identified
Tokyo Gas Energy Co., Ltd.	20	20
Tokyo Gas Chemicals Co., Ltd.	17	17
Tokyo Gas Engineering Co., Ltd.	15	10
Captly Co., Ltd.	2	2
Total	54	49

Note: There were also 19 projects where the four companies placed bids but did not receive orders. Acts potentially in violation of the Antimonopoly Act were identified with regard to 14 of these projects.

#### 2. Background

Following media comment on June 21, 2006 concerning Eco Station construction work, and because of the fact that four subsidiaries of Tokyo Gas had taken on contracts for such work, an investigation was conducted on a voluntary basis by Tokyo Gas to ascertain whether any acts potentially in violation of the Antimonopoly Act had been committed in the bidding process for work where the companies had made bids.

#### 3. Scope

The investigation was conducted through interviews at the companies to ascertain whether there had been any acts potentially in violation of the Antimonopoly Act with regard to 73 construction work projects for which

four subsidiaries of Tokyo Gas had bid since FY 2002, when an obligation was imposed for competitive bidding between at least five companies in principle.

4. Acts identified as potentially violating the Antimonopoly Act

The investigation identified acts potentially in violation of the Antimonopoly Act with regard to the following items.

- (1) Confirming whether a company in competition with one's own company will participate in bidding on specific individual projects
- (2) Sounding out a company in competition with one's own company with regard to bid prices (indicating one's own company's price, confirming the other company's price)
- (3) Confirming individual sales prospects being handled by a company in competition with one's own company at a private social gathering held with staff of the other company
- (4) Introducing a company in competition with one's own company to the ordering party in order to secure the number of bidders required

**Supplementary information**

**Tokyo Gas Energy Co., Ltd.**

6-1 Nihonbashi Koami-cho, Chuo-ku, Tokyo

Representative Director and President: Minoru Yokouchi

Capital: 1 billion yen

Shareholders: Tokyo Gas Co., Ltd. (88.5%), TG Enterprise Co., Ltd. (11.5%)

**Tokyo Gas Chemicals Co., Ltd.**

2-4-1 Shiba Koen, Minato-ku, Tokyo

Representative Director and President: Ieaki Uemura

Capital: 1 billion yen

Shareholders: Tokyo Gas Co., Ltd. (82.3%), TG Enterprise Co., Ltd. (17.7%)

**Tokyo Gas Engineering Co., Ltd.**

5-37-1 Kamata, Ota-ku, Tokyo

Representative Director and President: Jiro Fujioka

Capital: 100 million yen

Shareholders: Tokyo Gas Co., Ltd. (100%)

**Capy Co., Ltd.**

5-22-27 Higashi Gotanda, Shinagawa-ku, Tokyo

Representative Director and President: Akira Habu

Capital: 1 billion yen

Shareholders: Tokyo Gas Co., Ltd. (87.6%), TG Enterprise Co., Ltd. (12.4%)