

30 September 2008

**Filing of a qualification screening application for participation in the project for privatization of city gas business in Sendai**

Public Relations Department  
Tokyo Gas Co., Ltd.

Today, Tokyo Gas Co., Ltd. (headquartered in Tokyo; Mr. Mitsunori Torihara, President) filed an application for qualification screening with the Gas Bureau, City of Sendai (Mr. Nobuyoshi Inaba, Managing Director) in response to the call issued on September 1 by the city of Sendai for applications for the project concerning privatization of the city gas business. The application rested on an agreement with Tohoku Electric Power Co., Inc. (headquartered in Miyagi Prefecture; Mr. Hiroaki Takahashi, President) and the Japan Petroleum Exploration Co., Ltd. (JAPEX; headquartered in Tokyo; Mr. Osamu Watanabe, President), and was filed by Tokyo Gas as the representative of a joint consortium consisting mainly of these three companies.

Tokyo Gas supplies city gas to 10 million contracts customers under some centered around the National Capital Region. In the past, its Group undertook the privatization, and smoothly succeeded to the business, of the Nagano Enterprise Bureau, Konosu City Gas in Saitama Prefecture, and Yotsukaido City Gas in Chiba Prefecture. For the Gas Bureau, City of Sendai, it has thus far engaged in the following major activities: 1) dispatch of a team to support service resumption in the wake of the Miyagi Prefecture Offshore Earthquake (which struck in 1978), 2) support for calorific value conversion and construction of a receiving terminal for liquefied natural gas (LNG) as part of plans for a switch to natural gas, and 3) provision of sales know-how needed for diffusion and expansion of natural gas utilization. Through such activities, it has deepened its partnership with the Gas Bureau, City of Sendai as a city gas utility itself.

Believing that partnership with local firms was essential, Tokyo Gas filed the aforementioned application jointly with Tohoku Electric Power and the JAPEX. For its part, Tokyo Gas intends to find ways of heightening the corporate and shareholder values of its Group, promoting the further diffusion and expansion of natural gas utilization, and contributing to the benefit and interest of communities and society as a whole by making extensive application of the know-how accumulated through its gas business to date in its participation in this project.

If its application is approved by the Gas Bureau, City of Sendai, Tokyo Gas shall embark on studies aimed at preparation of a proposal based on examination of the project particulars, assessment of business feasibility, and careful investigation of contract conditions, all in accordance with the schedule for privatization indicated by the Bureau.

## **[Additional information]**

### **Outline of Gas Bureau, City of Sendai**

- Name: Gas Bureau, City of Sendai
- Managing Director: Nobuyoshi Inaba
- Address: 5-13-1 Saiwaicho, Miyagino-ku Sendai-shi Miyagi Prefecture
- Business: Gas business
- Fiscal term: March 31 every year
- Number of customers (contracts): 361,626
- Total assets\*: JPY80,687 million

\* Figures based on gas business accounting regulations

### **Outline of Companies Concerned**

- Trade name: Tokyo Gas Co., Ltd.
  - Representative: Mitsunori Torihara, President
  - Address: 1-5-20 Kaigan, Minato-ku, Tokyo
  - Date of establishment: 1 October 1885
  - Business: Gas business, supply of heat, electrical power, etc.
  - Fiscal term: March 31 every year
  - Number of employees\*: 15,900
  - Net assets\*: JPY780,455 million
  - Total assets\*: JPY1,703,651 million
- \*Figures based on consolidated financial information ending March 2008

- Trade name: Tohoku Electric Power Co., Inc.
  - Representative: Hiroaki Takahashi, President
  - Address: 1-7-1 Honcho, Aoba-ku, Sendai-shi, Miyagi Prefecture
  - Date of establishment: 1 May 1951
  - Business: Electricity business, Supply of gas, etc.
  - Fiscal term: March 31 every year
  - Number of employees\*: 22,226
  - Net assets\*: JPY1,015,352 million
  - Total assets\*: JPY4,033,835 million
- \*Figures based on consolidated financial information ending March 2008

- Trade name: Japan Petroleum Exploration Co., Ltd.
  - Representative: Osamu Watanabe, President
  - Address: 1-7-12 Marunouchi, Chiyoda-ku, Tokyo
  - Date of establishment: 1 April 1970
  - Business: Oil and natural gas resource exploration, development, transportation, sales, etc.
  - Fiscal term: March 31 every year
  - Number of employees\*: 1,622
  - Net assets\*: JPY448,226 million
  - Total assets\*: JPY620,946 million
- \*Figures based on consolidated financial information ending March 2008