

June 22, 2009

## Start up of Pipeline Maintenance Business at 100% Tokyo Gas Subsidiary Company

Tokyo Gas Co., Ltd.

Tokyo Gas Pipeline Co., Ltd. ("TGPL"), President, Mikio Itazawa, a wholly owned subsidiary of Tokyo Gas Co., Ltd. ("Tokyo Gas"), President, Mitsunori Torihara, will be contracted by Tokyo Gas starting July 1, 2009 for maintenance management of approximately 100 km of trunk pipeline in Tochigi Prefecture.

Trunk pipeline maintenance management work consists of 1) observation and protection of gas pipes when other companies conduct excavation works at roads near buried pipe routes, 2) regularly patrols and 3) regular inspections, of facilities, including pressure governor stations. The overall aim of maintenance management is to ensure the security of pipelines transporting large volumes of gas over long distances, at pressures of at least 1 MPa (gas pressure of 10), and stable supplies of gas over those pipelines.

Natural gas demand continues to grow because of its environmentally friendliness in terms of its impact on global warming, economical and greater stability in supply compared to oil, and of its convenience which it can accommodate various needs, including heat and electricity, both among individual customers and in society as a whole. Responding to this need, Tokyo Gas is expanding its trunk pipelines over a broad area in order to extend the reach of natural gas and facilitate its greater use.

For this reason, trunk pipeline maintenance management work is also increasing. This work requires long hours of training in a broad range of techniques and skills. Accordingly, Tokyo Gas has judged that it would be appropriate to transfer the work to a specialized company with its own personnel programs and other systems in order to effectively train employees with this level of specialization while accommodating an increasing work load. TGPL was therefore established in April of this year. After taking over the maintenance work in Tochigi, starting from July 2009, the new company is scheduled to be contracted in April 2011 for all the areas covered by Tokyo Gas (total length of 820 km as of April 2011).

Tokyo Gas will continue to contract trunk pipeline maintenance management work to TGPL, but responsibility for security and gas supply stability will remain with Tokyo Gas. TGPL will make every effort to ensure security and supply stability by utilizing specialized techniques and skills needed for pipeline maintenance management that should be seamlessly transferred from Tokyo Gas.

Corporate Profile of TPGL

Head office: 1-5-20 Kaigan, Minato-ku, Tokyo

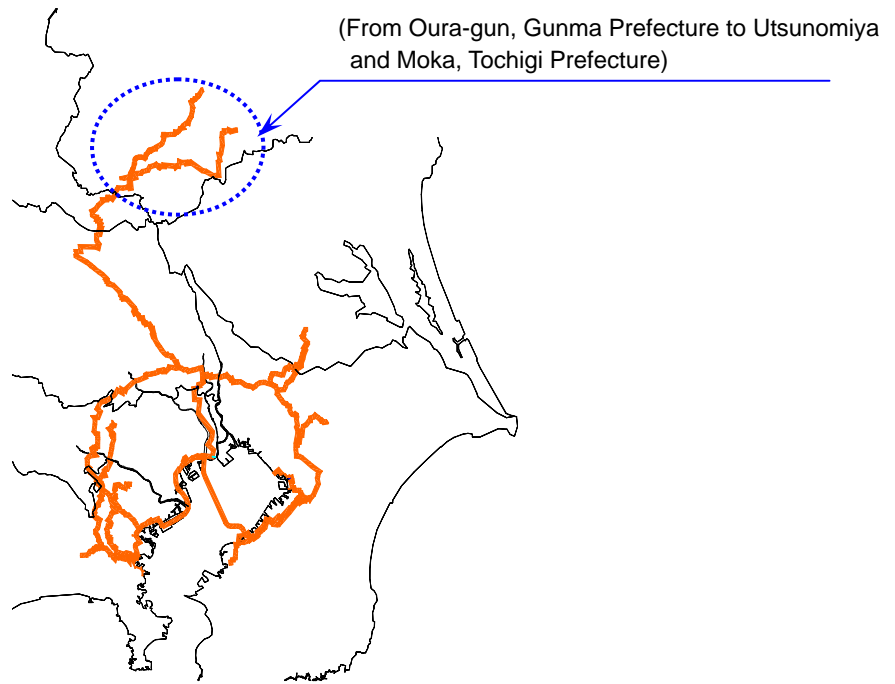
Representative: Mikio Itazawa

Paid-in capital: ¥100 million (wholly owned by Tokyo Gas)

Established: April 1, 2009

Employees: 32 (As of July 2009. Five new employees will be hired from the Tochigi region in October.)

TPGL is slated to have a workforce of around 230 employees as of April 2011 when the company takes over trunk pipeline maintenance management work for all Tokyo Gas areas.



Tokyo Gas Trunk Pipeline Network