

3 September 2009

**Selected as the priority candidate for privatization of a general gas utility operated by  
Fujioka-shi & Takasaki-shi Gas Section**

Tokyo Gas Company, Ltd.

Tokyo Gas Co., Ltd. (Mr. Mitsunori Torihara, President; hereinafter referred to as "Tokyo Gas") has been selected as the priority candidate for a general gas utility privatization project by Fujioka-shi & Takasaki-shi Gas Section (Mr. Toshiaki Arai, President; hereinafter referred to as the "Gas Section"). From now on, Tokyo Gas is going to engage in discussion with the Gas Section about the details of the conditions related to transfer of the business, toward the goal of concluding a transfer agreement. This project began with issuance of a call for applications by the Gas Section on April 15. Tokyo Gas presented the Gas Section with a proposal application form and eligibility confirmation application form for the primary screening to confirm its qualification for participation, and received approval that it passed the first screening from the Gas Section on May 21. Thereafter, Tokyo Gas carried out a survey of the business, assessment of its economic feasibility, and detailed study of contract conditions. Based on the findings of these steps, it reached the conclusion that participation could heighten the corporate value and shareholder value of the Tokyo Gas Group and contribute to the further diffusion and spread of natural gas utilization as well as the benefit of communities and society as a whole. As a result, it presented a project proposal for the secondary screening to the Gas Section on July 3. This was followed by the Gas Section's examination of the priority candidate and its selection of Tokyo Gas.

[Reference]

**Outline of Fujioka-shi & Takasaki-shi Gas Section**

Fujioka-shi & Takasaki-shi Gas Section is a local public enterprise operated jointly by the two cities of Fujioka and Takasaki, and engaged in supply of city gas.

- Trade name: Fujioka-shi & Takasaki-shi Gas Section
  - Representative: Toshiaki Arai
  - Address: 1971-2 Fujioka, Fujioka-shi, Gunma Prefecture
  - Business: gas business
  - Fiscal term: ending on March 31 each year
  - Number of customers: 11,067 (as of March 31, 2008)
  - Total assets\*: JPY2,257 million (as of March 31, 2008)
- \*Figures based on gas business accounting regulations