

December 24, 2009

Improvements to the Natural Gas Infrastructure in Ibaraki Prefecture

Tokyo Gas Co., Ltd.

Today, Tokyo Gas Co., Ltd. (Mr. Mitsunori Torihara, President) decided at the Board of directors' meeting on early implementation of the plan to construct an LNG* terminal in Hitachi (Hitachi-shi, Ibaraki Prefecture), the first LNG terminal in Ibaraki Prefecture, and to lay pipelines to connect to the existing pipeline network. Also, Ibaraki Prefecture and Tokyo Gas reached an agreement to seek cooperation in advancing natural gas infrastructure in the region.

Tokyo Gas had positioned this plan as one measure to actively augment trunk infrastructure for the future under the Tokyo Gas Group Medium-term Management Plan FY 2009-2013 announced January 30, 2009, and has now decided on the early realization of the plan, considering the recent heightened social and international concern to counter global warming, and in response to strong requests from the local community. Moreover, the decision will meet the customers' and social needs toward stable natural gas supply through reinforcement of infrastructure, and contribute to the national environmental and energy policy of realizing a low-carbon society.

Tokyo Gas will make every effort toward the early realization of this project, based on the agreement reached with Ibaraki Prefecture, and asks for the understanding and cooperation of local residents, Ibaraki Prefecture, Hitachi-city and all concerned parties.

*LNG is an abbreviation for Liquid Natural Gas.

1. Plan Outline (tentative)

(1) Facilities Outline

- ① LNG Terminal (Port of Hitachi, Ibaraki Prefecture)
One (200,000kl class) LNG storage tank
- ② Pipeline (Hitachi City, Ibaraki Prefecture ~ Mooka City, Tochigi Prefecture)
High-pressure pipeline (Diameter:600mm; Length:approx. 90km)

(2) Facilities Investment

Estimated total investment: approx. ¥100 billion

(3) Projected Operating Date

The targeted date will be forwarded as much as possible to FY2015 from the original projection of FY2017 set in the Medium Management Plan through cooperation with various related parties.

2. Basic Agreement with Ibaraki Prefecture

Ibaraki Prefecture and Tokyo Gas have reached a basic agreement to cooperate on advancing the natural gas infrastructure plan and its effective use to contribute to the environmental and energy policy of realizing a low-carbon society, and to further stimulate the local economy by promoting industry and expanding employment.

Natural Gas Infrastructure

