December 22, 2010

Conclusion of a heads of agreement with Hokkaido Gas regarding the Sale and Purchase of Liquefied Natural Gas (LNG)

Tokyo Gas, Co., Ltd.

Tokyo Gas, Co., Ltd. (President: Tsuyoshi Okamoto; head quarters: Minato-ku, Tokyo; "Tokyo Gas" hereinafter) is pleased to announce today the signing of a heads of agreement regarding the sale and purchase of liquefied natural gas (LNG) with Hokkaido Gas Co., Ltd. (President: Hiroshi Ohtsuki; head quarters: Chuo-ku, Sapporo; "Hokkaido Gas" hereinafter).

Under the agreement, Tokyo Gas will supply Hokkaido Gas with LNG for a period of 11 years extending from FY2012 to FY2022. The LNG supplies to Hokkaido Gas will come from LNG projects with which Tokyo Gas has entered into contracts. The agreement represents a convergence of interests between Tokyo Gas, which seeks to increase long-term, stable sales of LNG, and Hokkaido Gas, which seeks to ensure stable supplies as it procures LNG for the Ishikari LNG Terminal under construction in Ishikari Bay New Port.

The two companies will continue to move forward on discussions aimed at the signing of a final sales and purchase contract based on this agreement.

<Outline of a heads of agreement>

Seller:	Tokyo Gas, Co., Ltd.
Purchaser:	Hokkaido Gas Co., Ltd.
Contract term:	FY2012 to FY2022 (11 years)
Delivery format:	Ex-Ship *
Supply source:	Supplies come from multiple LNG projects with which Tokyo Gas has entered into contracts

* : Delivery condition in which the seller arranges for LNG ships and transports the LNG to the purchaser's receiving terminal

<Profile of purchaser>

Name of company:	Hokkaido Gas Co., Ltd.
President:	Hiroshi Ohtsuki
Employees:	664 (as of March 31, 2010)
Head office address:	3-1 Odori Nishi 7-choume, Chuo-ku, Sapporo
Established:	July 12, 1911
Capital:	5,039 million yen (as of March 31, 2010)
Business:	Gas services, heat supply services, electricity supply services, gas byproduct refining and sale, gas equipment fabrication and sale, related construction services and all ancillary businesses