

July 24, 2012

Commencement of construction work of Hitachi LNG Terminal

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (President: Mr. Tsuyoshi Okamoto, hereafter “Tokyo Gas”) started today construction work of “Hitachi LNG Terminal” (Ibaraki port, Hitachi district, hereafter “Terminal”) which is under preparation for the commencement in FY2015.

Tokyo Gas is now advancing the plan to construct the Terminal in Ibaraki port, Hitachi district, Hitachi city, Ibaraki pref. and to install “Ibaraki-Tochigi Line” (Hitachi city, Ibaraki pref. – Moka city, Tochigi pref.) to connect the Terminal to the existing pipeline in Moka city, Tochigi-pref., by FY2015. This plan was designed to expand the fundamental infrastructure of production and supply to deal with the increasing demand of natural gas toward 2020.

In the Terminal shall be installed a non-elevated LNG tank with one of the world’s largest capacity of 230,000 kl, an LPG tank for calorie adjustment, a large jetty to receive ocean-going LNG tankers, etc.

On June 15, Ibaraki prefectural assembly gave an approval for the sale and purchase contract of the planned construction site between Tokyo Gas and Ibaraki prefecture, and both Tokyo Gas and Ibaraki prefecture concluded officially the sale and purchase contract on the same day. Since then were followed the necessary procedures for the site transfer, and today Tokyo Gas started ground-leveling work on the construction site.

This autumn, Tokyo Gas plans to commence facility construction work for an LNG tank, an LPG tank, a large jetty, etc. in the Terminal, and with “Ibaraki-Tochigi Line” which has already been under construction from the side of Tochigi pref. since January, 2012, aims at overall commencement of the Terminal in FY2015.

<Overview of Hitachi LNG Terminal (Plan)>

Planned Site	Ibaraki port, Hitachi district, Hitachi city, Ibaraki pref.
Facility	LNG Tank: Non-elevated 230,000 kl × 1 unit LPG Tank: Non-elevated 50,000 kl × 1 unit Production facility: LNG vaporizer × 3 units Lorry off-loading facility Large jetty (receiving facility for ocean-going LNG tankers), etc.
Investment	Approx. 120 billion yen including “Ibaraki-Tochigi Line”
Schedule	July, 2012 Start ground-leveling work on the construction site Autumn, 2012 Start facility construction work FY2015 Commencement of operations

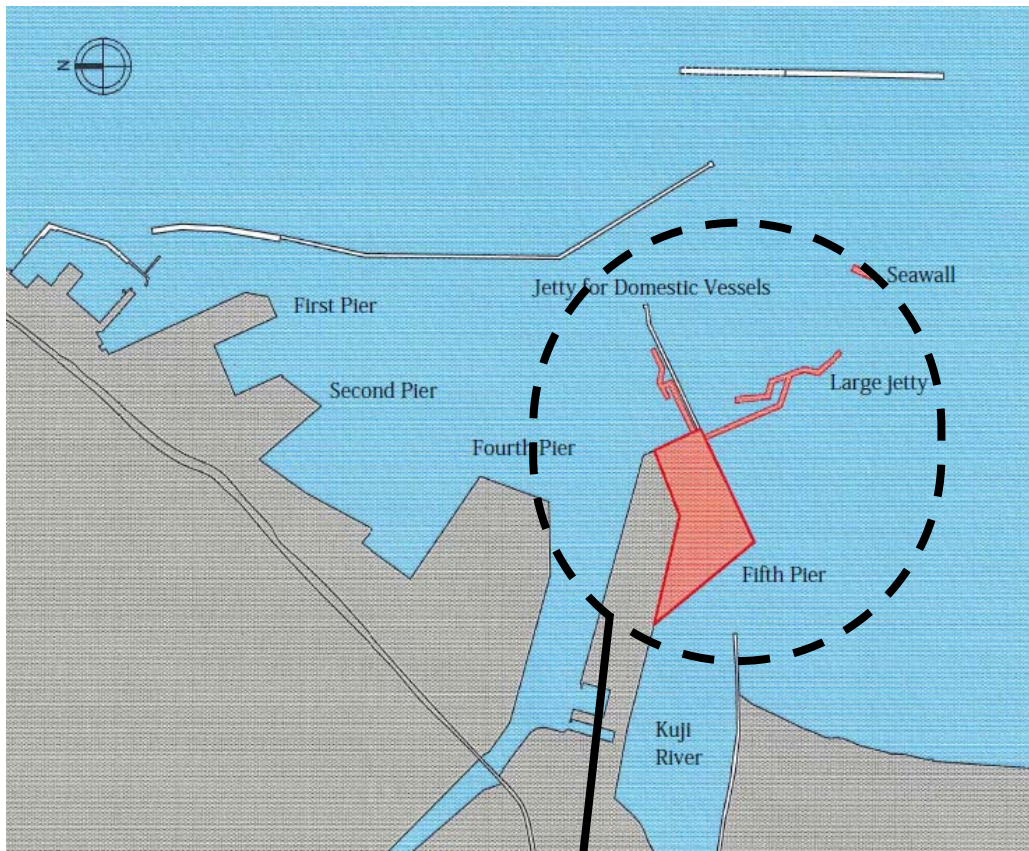
<Main events of the Plan so far>

Jan. 2009	The Plan was positioned as a part of aggressive expansion of the fundamental infrastructure for future growth in the Tokyo Gas group's mid-term management plan from FY2009 to FY2013.
Nov. 2011	The Plan was positioned as one of main pillars of the production and supply infrastructure to deal with the increasing demand for natural gas toward 2020, and also recognized to improve the stability of overall supply infrastructure by linking the Terminal with the existing three terminals in Tokyo bay.
Dec. 2011	The modification of port and harbor plan of Hitachi district was publicly announced in the Ibaraki prefectural bulletin and LNG terminal was positioned in the 5th pier of Hitachi district.
Jan. 2012	The construction work of "Ibaraki-Tochigi Line" was commenced from the side of Tochigi pref.
Mar. 2012	Ibaraki pref. recruited a purchaser for the planned construction site, where Tokyo Gas handed in an application.
Jun. 15, 2012	With the approval of Ibaraki prefectural assembly, Tokyo Gas and Ibaraki prefecture concluded officially the sale and purchase contract of the planned construction site for the LNG Terminal.
Jul. 24, 2012	The construction work of "Hitachi LNG Terminal" was commenced.

Reference1: Overview of Tokyo Gas Supply Area



Reference 2: Planned Construction Site



Reference 3: Completion Image of Hitachi LNG Terminal

