

Notice of Absorption and (Short-form) Merger of Consolidated Subsidiary

At the Board of Directors meeting held February 25, 2010, Tokyo Gas Co. Ltd. (Mr. Mitsunori Torihara, President; hereafter “Tokyo Gas”) decided on the absorption and merger (hereafter, “this merger”) of Tokyo Gas consolidated subsidiary TG Enterprise Co. Ltd. (hereafter, “TG Enterprise”) effective April 1, 2010, as specified below. Because this merger is the merger of a wholly owned consolidated subsidiary, portions of the disclosure items and contents are omitted.

1. Purposes of the Merger

While TG Enterprise has contributed to increasing the value of the Tokyo Gas Group to date by engaging in (1) internal Group financial administration, (2) new business development, (3) real estate leasing, and (4) asset management works, internal Group financial administration and new business development works are now conducted by Tokyo Gas itself, and TG Enterprise presently conducts only the real estate leasing and asset management businesses.

Within the Tokyo Gas Group, Tokyo Gas Urban Development is engaged in the real estate leasing business and each department of Tokyo Gas exclusively implement asset management works. On this occasion, Tokyo Gas has decided on the absorption and merger of TG Enterprises aiming to streamline the business operation.

The real estate leasing business conducted by TG Enterprise will be absorbed and spun off to Tokyo Gas consolidated subsidiary Tokyo Gas Urban Development (headquarters: Shinjuku-ku, Tokyo).

2. Outline of the Merger

(1) Merger Schedule

Board of Directors resolution	Feb. 25, 2010
Contract conclusion	Feb. 25, 2010
Scheduled merger date (effective date)	April 1, 2010 (scheduled)

Because this merger is a simplified merger at Tokyo Gas as stipulated by Article 796(3) of the Companies Act and a short-form merger at TG Enterprise as stipulated by Article 784(1) of the Companies Act, neither company will hold merger contract approval shareholders meetings.

(2) Merger Format

This is an absorption-type merger, with Tokyo Gas as the surviving company, which will dissolve TG Enterprise.

(3) Allotment of Shares Concerning this Merger

Tokyo Gas will not issue any new shares or render any monetary or other payments upon this merger because Tokyo Gas already owns all the issued shares of TG Enterprise.

(4) Handling of Share Options and Bonds with Share Options Upon this Merger

TG Enterprise has not issued any share options or bonds with share options.

3. Outline of the Merging Companies

	Surviving Company	Absorbed Company
(1) Name	Tokyo Gas Co. Ltd.	TG Enterprise Co. Ltd.
(2) Address	1-5-20 Kaigan, Minato-ku, Tokyo	Shibahama Bldg. 7F, 4-9-4 Shiba,

		Minato-ku, Tokyo											
(3) Representative	President, Mitsunori Torihara	President, Katsuyuki Kobayashi											
(4) Business areas	Production, supply and sale of city gas; supply and sale of gas appliances, and related construction; construction for supply of city gas; energy services; supply of electricity; etc.	Asset management business; real estate leasing business; etc.											
(5) Capitalization	141,844 million yen	200 million yen											
(6) Established	October 1, 1885	January 26, 1985											
(7) Issued shares	2,703,761,295 shares	4,000 shares											
(8) Fiscal year-end	March 31	March 31											
(9) Major shareholders and ownership ratios (as of March 31, 2009)	<table border="0"> <tr> <td>Nippon Life Insurance Company</td> <td>6.0%</td> <td rowspan="5">Tokyo Gas Co. Ltd.: 100%</td> </tr> <tr> <td>Japan Trustee Services Bank (Trust Account 4G)</td> <td>5.8%</td> </tr> <tr> <td>Japan Trustee Services Bank (Trust Account)</td> <td>5.7%</td> </tr> <tr> <td>The Dai-Ichi Mutual Life Insurance Company</td> <td>4.4%</td> </tr> <tr> <td>The Master Trust Bank of Japan Ltd. (Trust Account)</td> <td>4.3%</td> </tr> </table>	Nippon Life Insurance Company	6.0%	Tokyo Gas Co. Ltd.: 100%	Japan Trustee Services Bank (Trust Account 4G)	5.8%	Japan Trustee Services Bank (Trust Account)	5.7%	The Dai-Ichi Mutual Life Insurance Company	4.4%	The Master Trust Bank of Japan Ltd. (Trust Account)	4.3%	
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The Master Trust Bank of Japan Ltd. (Trust Account)	4.3%												
(10) Most Recent Fiscal Year (Fiscal 2008) Financial Conditions and Business Performance													
	(consolidated)	(unconsolidated)											
Net assets (¥ million)	784,616	7,190											
Total assets (¥ million)	1,764,185	10,119											
Net assets per share (¥)	284.72	1,797,707.25											
Net sales (¥ million)	1,660,162	760											
Operating income (¥ million)	65,204	331											
Ordinary income (¥ million)	58,337	332											
Net income (¥ million)	41,708	248											
Earnings per share (¥)	15.63	62,211.35											

4. Conditions Subsequent to this Merger

	Surviving Company
(1) Name	Tokyo Gas Co. Ltd.
(2) Address	1-5-20 Kaigan, Minato-ku, Tokyo
(3) Representative	President Tsuyoshi Okamoto
(4) Business areas	Production, supply and sale of city gas; supply and sale of gas appliances, and related construction; construction for supply of city gas; energy services; supply of electricity; etc.
(5) Capitalization	No change from this merger
(6) Fiscal year-end	March 31

5. Impact of this Merger on the Consolidated Business Results of Tokyo Gas Co. Ltd.

As this merger is the merger of a wholly owned consolidated subsidiary, it will have no impact on the consolidated business performance of Tokyo Gas. Co. Ltd.