

December 6, 2004

Commercial Unit of Residential Fuel Cell Cogeneration Systems Launch into the Market

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (President: Norio ICHINO) introduces the world's first commercial Residential Polymer Electrolyte Fuel Cell (PEFC) Cogeneration System jointly developed with Ebara Ballard Corporation (President: Masakatsu OHYA) and Matsushita Electric Industrial Co., Ltd. (President: Kunio NAKAMURA) into the market on the limited scale on February 8, 2005.

Based on the management ideology of making an active contribution to pleasant living and the development of environmentally friendly cities, Tokyo Gas has been developed Residential Fuel Cell Cogeneration System as leading practitioner of environmental management. This system is an epoch-making product aiming to "coexistence of comfortable life and sustainable improvement of reducing environmental load" based on the key concept of "life with synergy life of comfortableness and environmental-friendliness".

200 units will be installed in certain areas where maintenance capabilities have been established within Tokyo Gas supply area by the end of FY2005. In this occasion, Tokyo Gas has introduced a new gas rate schedule for Residential Fuel Cell Cogeneration Systems. FC Partnership agreement* will be signed with users to collect operational data and opinions from users, feedback these information to the development for further improvement of the performance of the System to be ready for a diffusion phase. Applications for the agreement will be accepted from January, 2005. Full-scale diffusion with thousands of units per year is expected to be in FY2008 and onward.

Tokyo Gas will continuously pursue to propose comfortable lifestyles for customers and contribute to environmental improvement through the research, development and commercialization of Residential PEFC Cogeneration System business.

[Gas tariff] (Excerpts from our press release on Dec. 1, 2004)

Name	Contract for residential fuel cell
Outline	<p>(Implemented 1 February, 2005)</p> <ul style="list-style-type: none"> ● A tariff for customers using 1kW fuel cells for residential use. ● The charge will be discounted by 3% for the contract term of three years in exchange for the cooperation of collecting actual data. Upper limit of the billing amount will be set as 9,500 yen per month (tax included, equivalent to 80m3 use of gas).

[Products to be launched]



Made by Ebara Ballard Corp.

Made by Matsushita Electric Industrial

[Outline of the Product]

Performance	Rated power generation capacity	1kW
	Power generation efficiency	31% or over (HHV)
	Heat recovery efficiency	40% or over (HHV)
	Hot water tank capacity	200 liters
Fuel		13A city gas

***Note: Outline of FC Partnership Agreement**

Name	FC* Partnership Agreement
Term/Price	10 years/ 1 million yen**
Area	Tokyo, Kanagawa, Chiba, and southern part of Saitama in Tokyo Gas Service area
Outline	<ol style="list-style-type: none">1. Contract regarding the use of fuel cell co-generation system for residential use owned by Tokyo Gas (Basic contract period 10 years, including maintenance cost.)2. Customers will be asked to cooperate for the acquisition of operation date and survey conducted by Tokyo Gas for three years since the equipment is installed.

*FC is abbreviation for fuel cell.

** Price does not include expenses for plumbing gas, water, and how water, etc.

[Reference: Corporate Profile of Each Company]

Tokyo Gas Co., Ltd.

Established in 1885. Major business fields are gas business and its related construction, heat supply, and other related businesses. In recent years, Tokyo Gas aims to contribute to “coexistence of comfortable life and sustainable improvement of reducing environmental load” through supplying high level and diverse energies including natural gas.

Location: 1-5-20 Kaigan, Minato-ku, Tokyo 105-8527 Japan

Representative: President Norio Ichino

Capital: 141,844 million Yen (as of the end of March 2004)

Sales: 1,151.8 billion Yen (FY 2003 on consolidated basis)

Web site: <http://www.tokyo-gas.co.jp/>

Matsushita Electric Industrial Co., Ltd.

Established in 1918. Comprehensive electronic manufacturer which produce, sell, and provide services of devices, home electronic equipments, electric appliances, FA equipments, communication devices, and housing related appliances.

Location: 1006, Kadoma, Kadoma City, Osaka 571-8501, Japan

Representative: President Kunio Nakamura

Capital: 258,740 million Yen (as of the end of March 2004)

Sales: 7,479.7 billion Yen (FY 2003 on consolidated basis)

Web site: <http://panasonic.co.jp/>

Ebara Ballard Corporation

Joint venture company financed by 51% from Ebara Corporation and 49% from Ballard Power Systems Inc. (Canada) in December 1998. Its business activities are exclusive manufacturing, sales, and providing services of fixed power generation system which uses all kinds of PEFC of Ballard Power Systems in Japan.

Location: 11-1, Haneda-Asahi-cho, Ota-ku, Tokyo, 144-0042, Japan

Representative: President Masakatsu Ohya

Capital: 480 million Yen

Web site: <http://www.ebc.ebara.com/>