

September 30, 2008
Tokyo Gas Co., Ltd.

**Restructuring and Consolidation of City Gas business and LPG business
in Yamanashi prefecture**

Tokyo Gas Co., Ltd. announced today the restructuring and consolidation of Tokyo Gas Group's city gas and LPG businesses in Yamanashi prefecture. A new company will be established on October 1st, 2009. (The company name is undecided. Hereinafter called "Yamanashi new company")

Teikoku Oil Co., Ltd. plans to make a 10% investment in this Yamanashi new company for and the companies will start negotiations for specific conditions. After this consolidation, Yamanashi new company will engage in both city gas and LPG businesses as a community-based company.

1. Tokyo Gas group's gas business in Yamanashi prefecture

Tokyo Gas group has been conducting city gas and LPG businesses under several different enterprises in Yamanashi prefecture.

Tokyo Gas bought a local city gas company and founded Tokyo Gas Kofu branch in February, 1945. It manages city gas business in Kofu city, Chuo city and Showa city in Yamanashi prefecture and the company supplies domestic natural gas which is bought from Teikoku Oil to about 30 thousand customers, while Tokyo Gas Customer Service Co., Ltd. Kofu branch operates safety check of city gas appliances and reading meters, etc.

Showa Bussan Co., Ltd. And Tokyo Gas Energy Co., Ltd. Kofu branch which are Tokyo Gas group LPG companies supply LPG to 13 thousand customers in Yamanashi prefecture.

2. The reason and objective of establishing a new company

Tokyo Gas has been studying the best business method to conduct a community-based gas company in Yamanashi prefecture. To strengthen its sales

activities as well as realizing quick and deliberate services to our customers, while enhancing operational efficiency, Tokyo Gas decided today to reorganize city gas business and LPG business and consolidate into Yamanashi new company.

Yamanashi new company will take over the businesses now operated by Tokyo Gas Kofu branch on October 1st,2009、 which will be divided from Tokyo Gas, as well as Showa Bussan, Tokyo Gas Energy Kofu branch. and Tokyo Gas Customer Kofu branch. The Yamanashi new company will become an integrated energy provider providing both city gas and LPG and will conduct business closely related to its local service area.

As for the legal procedure, Tokyo Gas Kofu branch will be divided from Tokyo Gas and Showa Bussan will become a successor by sink decomposition specified in corporate law.

Both Tokyo Gas and Tokyo Gas group aim to maximize corporate value by meeting customers' communities' and shareholders' needs while improving our service level catered to our local customers as well as business efficiency.

[Reference]

Tokyo Gas Co., Ltd.(About Kofu branch)

Business	Production, supply and sales of gas, Production, sales and related construction operation of gas appliances, district heating and cooling, electric-supply business
Location	1-5-20 Kaigan, Minato-ku, Tokyo (3-1-12 Kitaguchi, Kofu-shi, Yamanashi)
representative	Representative Director and President, Mitsunori Torihara (GeneralManager of Kofu Service Branch, Koushin Nakamura)
Number of customers	About 101.24 billion customers (About 0.3 billion customers)
Net Sales	About 1268.04 billion yen(About 3.69 billion yen)
Kind of Gas	City Gas 13A
Gas sales volume	About 14,053 billion m ³ (About 62.52 million m ³)

Tokyo Gas Customer Co., Ltd. (About Kofu branch)

Business	Check of gas appliances, inner pipe inspection service, repair, inspection and maintenance of gas appliances, meter and billing services
Location	3-7-1 NishiShinjuku, Shinjuku-ku, Tokyo (3-1-12 Kitaguchi, Kofu-shi, Yamanashi)
Representative	Representative Director and President, Yasunori Ida (General Manager of Kofu brunch, Katsufumi Kunugi)
Net Sales	About 6.67 billion yen (About 90 million yen)

Showa Bussan Co., Ltd.

Business	LPG and appliances sales, related construction
Location	5-4 Wakamatsucyo Kofu-shi Yamanashi
Representative	Representative Director and President, Koushin Nakamura
Number of customers	About ten thousand customers
Net Sales	About 1.08 billion yen
Kind of Gas	LPG Gas
Gas sales volume	About 4,700 t (including wholesale)

Tokyo Gas Energy Co., Ltd. (About Kofu branch)

Business	LPG and appliances sales, related construction
Location	4-2-8 Aoto Katsushika-ku Tokyo (5-4 Wakamatsucyo Kofu-shi Yamanashi)
Representative	Representative Director and President, Yuji Takanohashi (General Manager of Kofu brunch, Kazuya Fuwa)
Number of customers	About 55 thousand (About 3 thousand)
Net Sales	About 36.53 billion yen (About 180 million yen)
Kind of Gas	LPG Gas
Gas sales volume	About 328 thousand t (About 700t)