

25 May 2009

**Cancellation of launch of Ebara Ballard manufactured
ENE FARM residential fuel cells**

Tokyo Gas Co., Ltd.

Today, Tokyo Gas Co., Ltd. (Mr. Mitsunori Torihara, President; hereinafter referred to as "Tokyo Gas") cancelled the launch of sales of ENE FARM residential fuel cells manufactured by Ebara Ballard Corporation (Mr. Masakatsu Oya, President; hereinafter referred to as "Ebara Ballard"), which was scheduled to be on the market on July 1, 2009.

For this fiscal year (ending on 31 March 2010), Tokyo Gas is targeting sales of 1,500 ENE FARM units. The company is not making any modification of this target and is promoting sales of ENE FARM units manufactured by Panasonic Corporation which began sales on May 1, 2009 (Mr. Fumio Otsubo, President; hereinafter referred to as "Panasonic").

<Events leading up to the decision to cancel sales of ENE FARM units manufactured by Ebara Ballard>

In 1998, Tokyo Gas embarked on development of polymer electrolyte fuel cells (PEFC) toward the goal of creating practical models for residential use, and began engaging in joint development with the two firms Ebara Ballard and Panasonic in 2003. In addition, over the pilot program conducted in 2005 - 2008, it installed a total of 796 ENE FARM units.

In response to the sudden recent economic turndown, however, Ebara Corporation (Mr. Natsunosuke Yago, President; hereinafter referred to as "Ebara Corporation"), the parent company of Ebara Ballard, made a review of the company business. Today, it officially informed Tokyo Gas of its decision to withdraw from the residential fuel cell business and dissolve Ebara Ballard.

As a result, Tokyo Gas decided to cancel its marketing of ENE FARM units manufactured by Ebara Ballard, which had been scheduled for July 1.

* Note: The breakdown of the 796 units installed in connection with the aforementioned project by manufacturer is as follows.

- Ebara Ballard: 316 units
- Panasonic: 480 units

<Future action>

For customers using ENE FARM units manufactured by Ebara Ballard that were installed under the aforementioned project, Tokyo Gas and Ebara Corporation will jointly perform periodic checks and maintenance work.

The program of joint development of residential fuel cells promoted by Tokyo Gas and Ebara Ballard will be ended as a result of its dissolution.

This fiscal year, Tokyo Gas will only sell ENE FARM units manufactured by Panasonic but the sales target of 1,500 units will not be changed.

Tokyo Gas is going to continue with its efforts to sell ENE FARM units and develop next-generation equipment to realize a low-carbon society. It shall strive for the spread of ENE FARM as a key tool for mitigation of global warming in the residential division, and thereby to contribute to alleviate global environmental problems.