

December 8, 2010

Conclusion of business transfer agreement regarding privatization of a general gas utility operated by Fujioka-shi & Takasaki-shi Gas Section

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (Mr. Tsuyoshi Okamoto, President; headquartered in Minato-ku, Tokyo; hereinafter referred to as “Tokyo Gas”) concluded an agreement for business transfer for the privatization of the general gas utility of Fujioka-shi & Takasaki-shi Gas Section (Mr. Toshiaki Arai, President; hereinafter referred to as “Gas Section”) today. After completing necessary procedures in accordance with the Gas Business Act, including the one for obtaining the approval of the Minister of Economy, Trade and Industry for the business transfer, we plan to integrate it into Gunma Branch of Tokyo Gas (Mr. Atsushi Oshima, Branch head; address: Takasaki City, Gunma Prefecture) with the date of transfer being April 1, 2011.

<Contents of the agreement>

- Items to be transferred:  
Necessary assets for gas business, such as gas main and branch pipes, gas supply pipes, gas meters, and gas supply equipment  
(Number of customers: 10,885; as of the end of March 2010)
- Estimated price: 1,550 million yen (consumption tax excluded)
- Scheduled date: April 1, 2011

The Gas Section started a public offering for the business transfer on April 15, 2009. On April 28, Tokyo Gas submitted the application for the first screening to check qualifications, and on May 21, the Gas Section notified us of the passing of the first screening. On July 3, we submitted business proposals to the Gas Section for the second screening. On September 1, we were selected as the priority candidate for negotiations. Then, we discussed the details of the conditions for the business transfer with the Gas Section, and concluded the agreement today.

Tokyo Gas supplies city gas to about 10 million customers. The Tokyo Gas Group was entrusted with the privatization of Konosu City Gas of Saitama Prefecture in April 2002, Nagano Bureau of Enterprise in April 2005, and Yotsukaido City Gas of Chiba Prefecture in April 2006, and has conducted these businesses smoothly. As for this business transfer, we will make preparations so as not to cause any inconveniences to customers, by receiving the business smoothly in close cooperation with the Gas Section.

<Reference>

Overview of Gunma Branch of Tokyo Gas and Fujioka-shi & Takasaki-shi Gas Section

As of the end of March 2010

Item	Gunma Branch of Tokyo Gas	Fujioka-shi & Takasaki-shi Gas Section
Location	134-6 Azuma-cho, Takasaki-shi, Gunma Prefecture	1971-2 Fujioka-shi, Gunma Prefecture
Supply area	Takasaki-shi, Fujioka-shi, and Maebashi-shi	Fujioka-shi and Takasaki-shi
Number of customers	81,295	10,885
Gas sales	9,527 million yen	851 million yen
Gas supply amount (43.14MJ)	154,481,000 m <sup>3</sup>	7,146,000 m <sup>3</sup>
Number of employees	75 (61 employees and 14 junior employees)	22
History	<p>1913 Started up business as Takasaki Gas Co., Ltd.</p> <p>1945 Merged with Tokyo Gas, after Takasaki Suiryoku Denki Co., Ltd., Tokyo Dento Co., Ltd., and Kanto Gas Co., Ltd.</p> <p>1913 Started up business as Maebashi Gas Co., Ltd.</p> <p>1945 Merged with Tokyo Gas, after Tone Hatsuden Co., Ltd., Tokyo Dento Co., Ltd., and Kanto Gas Co., Ltd.</p>	<p>1963 Started up business as Fujioka-shi and Shinmachi Gas Supply Secretariat Union.</p> <p>1964 Commenced gas supply.</p> <p>1967 Renamed the organization Fujioka-shi Shinmachi Gas Section.</p> <p>2006 Renamed the organization Fujioka-shi &amp; Takasaki-shi Gas Section, as Shinmachi Town merged with Takasaki City.</p>