

Conclusion of a heads of agreement with Saibu Gas regarding the Sale and Purchase of Liquefied Natural Gas (LNG)

Tokyo Gas, Co., Ltd.

Tokyo Gas, Co., Ltd. (President: Tsuyoshi Okamoto; head quarters: Minato-ku, Tokyo; "Tokyo Gas" hereinafter) is pleased to announce today the signing of a heads of agreement regarding the sale and purchase of liquefied natural gas (LNG) with Saibu Gas Co., Ltd. (President: Yuji Tanaka; head quarters: Hakata-ku, Fukuoka; "Saibu Gas" hereinafter).

Under the agreement, Tokyo Gas will supply Saibu Gas with LNG for a period of 16 years extending from FY2014 to FY2029. The LNG supplies to Saibu Gas will come from LNG projects with which Tokyo Gas has entered into contracts. The agreement represents a convergence of interests between Tokyo Gas, which seeks to increase long-term, stable sales of LNG, and Saibu Gas, which seeks to establish more stable supply of LNG in accordance with the commencement of "Hibiki LNG terminal", which is now under construction in the Hibiki-nada district, Kitakyusyu city.

The two companies will continue to move forward on discussions aimed at the signing of a final sales and purchase contract based on this agreement.

<Outline of an agreement>

Seller:	Tokyo Gas Co., Ltd.
Purchaser:	Saibu Gas Co., Ltd.
Contract term:	FY2014 to FY2029 (16 years)
Contract volume:	Approx. 300 thousand tons/year
Delivery format:	Ex-Ship *
Supply source:	Supplies come from multiple LNG projects with which Tokyo Gas has entered into contracts

*: Delivery condition in which the seller arranges for LNG ships and transports the LNG to the purchaser's receiving terminal

<Profile of purchaser>

Name of company:	Saibu Gas Co., Ltd.
President:	Yuji Tanaka
Employees:	1,523 (as of March 31, 2011)
Head office address:	17-1 Chiyo 1-choume, Hakata-ku, Fukuoka
Established:	December 1, 1930
Capital:	20,629.79 million yen (as of March 31, 2011)
Business:	Production, supply and sale of city gas, Heat service business, Sale of LNG and utilization of LNG cryogenic energy, Production, sale, installation of gas equipment and apparatus, and related construction work