

February 25, 2013

## **Further promotion to install and expand the natural gas infrastructure in Ibaraki Prefecture**

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (President: Mr. Tsuyoshi Okamoto, hereafter “Tokyo Gas”) has decided to promote installation and expansion of the natural gas infrastructure in Ibaraki Prefecture in an accelerated manner, with a view to dealing with the growing demand for natural gas and to enhancing the overall security for energy supply infrastructure in Ibaraki Prefecture, where higher expectation is placed toward an industry and energy concentrated prefecture in the metropolitan area.

Ibaraki Prefecture and Tokyo gas reached a basic agreement in December 2009 that both parties would work in a cooperative fashion to install and utilize the natural gas infrastructure in Ibaraki Prefecture, in order to make a contribution on the environment and energy initiatives toward the realization of a low-carbon society and to revitalize the regional economy through industrial development and expansion of employment opportunities.

Based on this basic agreement, Tokyo Gas has already started construction work respectively for “Hitachi LNG Terminal” (Port of Hitachi, Ibaraki Prefecture) in July 2012, and for “Ibaraki - Tochigi Line” (Section: Hitachi City, Ibaraki Prefecture ~ Moka City, Tochigi Prefecture, Length: Approx. 81 km) in January 2012 to connect the Terminal with the existing pipeline in Moka City, Tochigi Prefecture, with the overall commencement target of FY2015. Thanks to the understanding and cooperation of people in local communities and such concerned organizations as Ibaraki Prefecture and Hitachi City, the construction work is going underway on schedule.

In addition to the initiatives stated above, Tokyo Gas has decided to promote installation and expansion of the natural gas infrastructure in Ibaraki Prefecture in an accelerated manner specified below.

<New initiatives to install and expand the natural gas infrastructure in Ibaraki Prefecture>

(1) Construction of a new pipeline for Mito area

Tokyo Gas and Tobu Gas Co., Ltd. (President: Mr. Kazuyuki Anamizu, hereafter “Tobu Gas”) reached an agreement on February 20, 2013, that both parties would jointly construct a new pipeline for Mito area, separated from “Ibaraki -Tochigi Line”, and would start a research activity for construction. With this new pipeline, the supply stability in both Mito area of Tobu Gas and Joso branch service area of Tokyo Gas will be highly improved, and the growing demand of natural gas mainly for industrial use in the southern part of Mito area will be more properly addressed

(2) Commencement of construction of “Koga - Moka Line”

Due to the settlement of basic route, Tokyo Gas decided to start construction work of “Koga - Moka Line” (Section: Koga City, Ibaraki Prefecture ~ Moka City, Tochigi Prefecture, Length: Approx. 50 km, Commencement target: FY2017) in the second half of FY2013, in order to improve supply stability and to address the growing demand of natural gas for industrial use in the western part of Ibaraki Prefecture.

(3) Construction of “Hitachi - Kashima Line (Provisional name)”

Tokyo Gas decided to start a research activity for construction of “Hitachi - Kashima Line (Provisional name)”, with a view to dealing with the natural gas demand in Kashima region of Ibaraki Prefecture, as well as to improving the stability of overall supply infrastructure by linking high-pressure pipelines to form a circular supply network. Tokyo gas will examine two routes: a land route and a submarine route.

<Reinforcement of general contact point function in Ibaraki Prefecture>

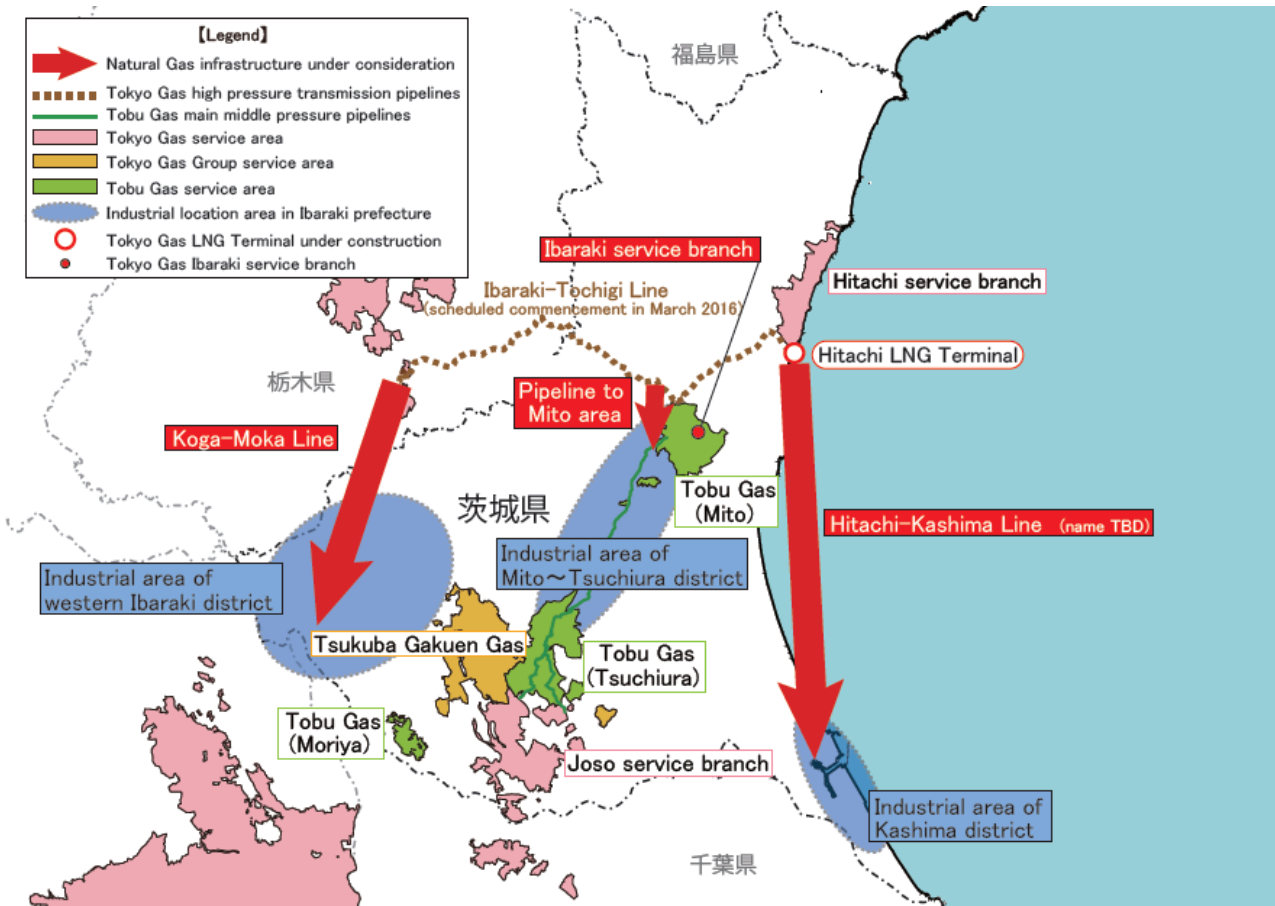
(1) Installation of “Ibaraki service branch”

“Ibaraki service branch” will be newly installed on April 1, 2013, in order to form the closer ties with Ibaraki Prefecture and local people in the municipalities of the Prefecture.

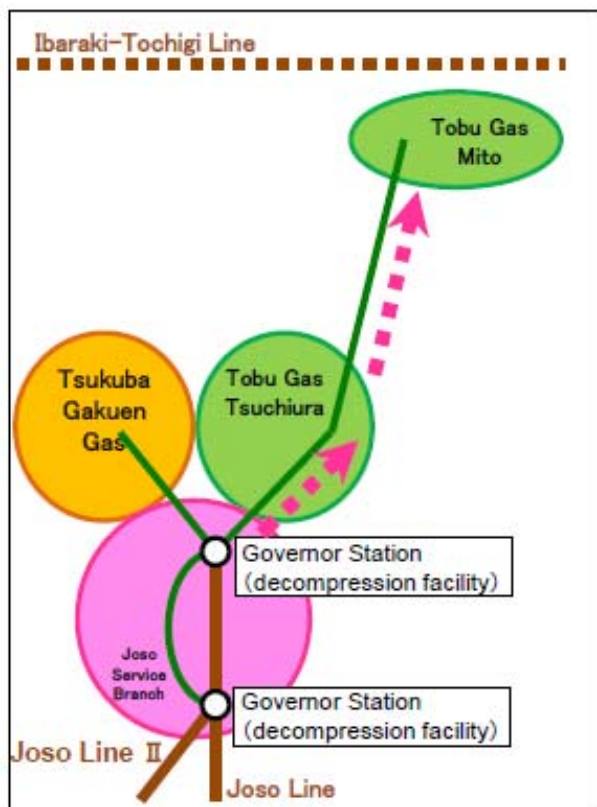
Tokyo Gas will appreciate the understanding and cooperation of local people concerned and will carry forward the various initiatives mentioned above through the full discussion with local people concerned.

In order to achieve various targets in “Challenge 2020 Vision” announced in November 2011, Tokyo Gas is determined to make a contribution on the enhancement of the values of natural gas: supply stability, environment adaptability, economic performance, safety and security, handling convenience, etc., the development of nationwide economy, and the improvement of national standard of living, as a leading company in the natural gas business by addressing the growing expectation for natural gas.

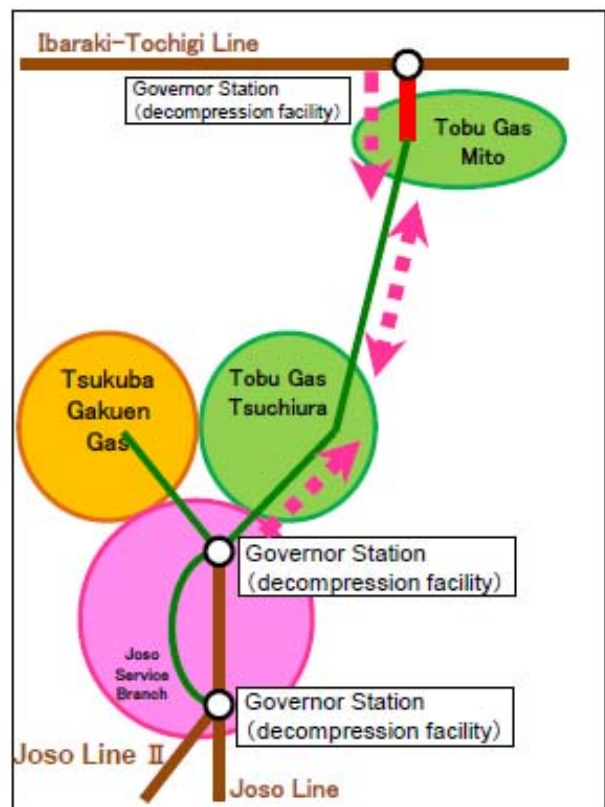
<Natural gas infrastructure of Tokyo Gas in Ibaraki Prefecture>



<The pipeline installation to Mito region of Tobu Gas>



Before the pipeline installation to Mito region of Tobu Gas



After the pipeline installation to Mito region of Tobu Gas

< Tokyo Gas Vision as of 2020 >

