

March 31, 2014
Tokyo Gas Co., Ltd.

Tokyo Gas Reaches Basic Agreement with Kobe Steel on Electric Power Trading

Today, Tokyo Gas Co., Ltd. (President: Tsuyoshi Okamoto; “Tokyo Gas”) reached a basic agreement with Kobe Steel, Ltd. (President: Hiroya Kawasaki; “Kobe Steel”) on concluding an electric power trading contract. The two companies will now advance detailed discussions toward concluding a formal contract in September 2014.

Kobe Steel is presently advancing construction of a 1.2 million kW class (600,000 kW class X 2 units) gas turbine combined cycle natural gas fired thermal power plant (“this Power Station”) in Moka City, Tochigi Prefecture toward beginning operations of Unit 1 in the second half of 2019 and Unit 2 in the first half of 2020.

Tokyo Gas plans to supply city gas to this Power Station through the Ibaraki-Tochigi Line (Hitachi City, Ibaraki Prefecture – Moka City, Tochigi Prefecture; approx. 84 km) which is under construction toward beginning operations in FY2015 and to purchase all the electricity generated by this Power Station (approx. 1.2 million kW) from Kobe Steel for 15 years from the time it begins operations.

In Challenge 2020 Vision, along with the spread and expansion of natural gas, Tokyo Gas calls for expanding the domestic electric power business to 3-5 million kW (including that held by other companies) by 2020, and this agreement is part of those efforts. Tokyo Gas will continue contributing to the stable and efficient supply of energy.

Outline of the Power Station

Power station name:	Shinko Moka Power Station (tentative name)
Owner:	Kobe Steel, Ltd.
Power generation format:	City gas fired, gas turbine combined cycle power generation
Generator output:	1.2 million kW class (600,000 kW class X 2 units)
Fuel:	City gas
Address:	No 5 Kogyo Danchi, 1 Kinugaoka, Moka City, Tochigi Prefecture (adjacent to the Kobe Steel Moka Plant)

Scheduled start of operations: Unit 1 in the second half of 2019, Unit 2 in the first half of 2020