

Outline of TEIKOKU's Total Contingency Plan against the Y2K Problem
(Only 40 days left until January 1, 2000)

November 22, 1999

Since the establishment of a special committee in January 1999 to address the Year 2000 (Y2K) Issue, Teikoku prepared a "Total Contingency Plan" and studied all conceivable problems and their countermeasures. We hereby summarize the outline of our Total Contingency Plan against the Y2K Problem as follows:

1. Basic recognition

Any act of the organization under this Total Contingency Plan is based on the following principles:

· To maintain an integrated information network system so that the management can judge and decide in a timely manner.

To prepare for any actual problem in order to take immediate actions.

· To maintain a flat and simple organization structure so that the information is transferred smoothly and without delay.

2. Organizations of Special Team/Group on and around the critical date

2-1 Control systems of production/transportation facilities of Natural Gas & Petroleum Products

1. Regional Headquarter of respective oil/gas producing zones (with its information gathering team) is to be formed, as the primary observational function, to observe any irregular and/or unexpected incidentals such as sudden suspension of gas processing plant operation, surveillance system of pipelines. Such Headquarter will be mainly in charge of (i) Gathering information from the fields and transmit it to Tokyo Head Office (ii) Judgment and order of necessary staff according to the situation and (iii) Judgment and declaration of regional safety and information unit toward the public inquiries in the region.

2. Backup & circumstantial judgment Group will be set up in the Tokyo Head Office,

regardless of any obstacles' occurrence, which is to be involved in the total judgment. Such Group will be mainly in charge of (i) Judgment of total safety and disclosure of necessary information toward the public inquiries (ii) Report to the chairman of the committee in case any serious phenomenon may occur and (iii) Declaration of safety

3. Principal Headquarter will be set up in the Tokyo Head Office as well, in case the supply of Teikoku's natural gas is ceased and it is anticipated to take longer time than expected to recover and any reinforcement of substitutive gas supply is required. Principal Headquarter will be in charge of those arrangements with the total decision-making and ordering functions.

2-2 Measures to the Administrative Network

We will continue daily checking on the Administrative Network and will form a special team with system engineer(s) if any special measure is required.

2-3 Other facilities

We will take any necessary actions in case any of company's infrastructures (e.g. phone, fax, elevators etc.) is obstructed.

3. Assumption of possible mishaps and their Contingency Plans

It is the principal recognition of the special committee against the Y2K Problem, as a result of the completion of aforesaid verifications and trial actions, that any serious mishaps and/or problems will no longer occur in 2000. Based on such recognition, however, we will do our best to prepare to mobilize our action team to immediately cope with any unexpected incident.

Please note that the above information is disclosed for the readers to brief Teikoku's activities against the possible Y2K Problem. We do not have an intention to commit to any guarantee or obligation, or any waiver of Teikoku's right in terms of the possible Y2K Problem.