

Measures against the Y2K Problem

February 19,1999

1. Current Situation

a. Corporate Policy

The Y2K problem is one of the important and urgent matters to be resolved in a management point of view for the security of the stable energy supply. We have been studying how to cope with this problem on a corporate basis by inspecting all computer systems ranging from the control units at the gas production sites to the processing units.

b. Organization

A committee, headed by Senior Managing Director, has been formed in January 1999 for the purpose of taking corporate and comprehensive measures against this problem in place of the departmental dealing. The duties of the committee shall include the following:

- review of the current measures;
- periodic report to the management;
- confirmation of the progress of the measures;
- collection of the information on the measures being taken by the subsidiaries and affiliates of the company and the customers; and
- disclosure of information to all those dealing with this problem.

c. Current Progress

We have completed the following work in connection with both control and information processing systems as scheduled:

- listing of the devices to be replaced;
- inquiry to the manufacturers;
- replacement of the devices; and
- modification of the system programs.

A trial test will be carried out after June 1999 jointly with the major subsidiaries and affiliates. In parallel, we are reviewing the measures being taken by the customers. A further review is being done on the devices containing the micro-chip.

2. Costs

Please note that it is not possible to clearly break down the costs incurred for the resolution of this problem due to the measures we have taken to date through a development of new systems and a redevelopment and improvement of the existing systems. We do not have any expectation that the significant impact will be seen on the conduct and results of the business with the costs to be incurred for this problem in the future.

3. Y2K Contingency Plan

In preparation for the unexpected problems, the committee will work out further a Y2K Contingency plan which is now scheduled to be completed around September 1999.