

August 17, 2004

New Discount Contract for Commercial Customers: All-Gas Discount Contract

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. ("Tokyo Gas") today filed notification with the Minister of Economy, Trade and Industry that the company would make available new selective contract tariff services from September 1, 2004.

The new tariff applies to customers eligible for the existing Industrial Time-Of-Day Contract who make effective use of gas in all three areas - water heating, food preparation, and air conditioning. These customers can take advantage of discount services through a new supplementary contract.

By providing the new discount services, Tokyo Gas will enhance its competitiveness in the commercial water heating and food preparation markets that make up part of its baseline demand. The company also plans to introduce additional new services of this type to provide greater merit for its customers and to enhance its competitiveness relative to electricity and other fuels.

The new selective contract services

Customers with Industrial Time-Of-Day Contracts who utilize gas as the energy source for their water heating, food preparation, and air conditioning appliances, and who use at least a certain level of gas year-round can take advantage of the new "All-Gas Discount Contract" that takes the form of a supplementary contract.

The new contract provides a discount of JPY 3 (excluding tax) per cubic meter from the rates applying with the Industrial Time-Of-Day Contract, representing a discount of about 5% over the current rate. The maximum discount available is JPY 40,000 per month (excluding tax), so the new contract enables a customer to cut costs by up to JPY 480,000 (excluding tax) on an annual basis.

The new contract is initially available in the Tokyo area, and there are plans to extend availability to cover the whole of the Tokyo Gas service area.

Additional information

(1) Estimated rates for the new tariff services based on model demand

(Assumptions: Before adding consumption tax equivalent; 46.04655 MJ (11,000 kcal)/m³; Figures are annual totals)

New tariff services	New tariff	Current services	Current service tariff	Discount (JPY)	Discount (%)	Annual usage
Industrial Time-Of-Day + Commercial All-Gas Discount	JPY 2,731,920	Industrial Time-Of-Day	JPY 2,881,920	JPY 150,000	5.2%	50,000 m ³

(2) The Industrial Time-Of-Day Contract

1) Main conditions for eligibility (Tokyo area, etc.)

- Contracted monthly average usage: at least 820m³; Contracted maximum usage: at least 6m³/h
- Flow multiplier: at least 600; Annual load factor: at least 75%, Contracted annual take-up rate: at least 75%

2) Tariff (excluding tax)

Area	Basic charge (yen/month)	Basic commodity charge (yen/m ³ ·month)	Daytime basic (yen/m ³ ·month)	Nighttime basic (yen/m ³ ·month)	Unit commodity charge (yen/m ³)	Feedstock adjustment charge (yen/t)
Tokyo area, etc.	18,000	410	9.30	4.91	40.26	27,160

Notes: Feedstock adjustment charge assumption: JPY 27,160 per ton. The basic commodity charge is adjusted quarterly in accordance with the provisions for rate adjustment for feedstock costs.

(3) Main conditions for eligibility for Commercial All-Gas Discount Contract

In addition to the main conditions for eligibility for the Industrial Time-Of-Day Contract set out above, customers must satisfy the following conditions.

- 1) Contracted monthly average usage: at least 2,500m³; Flow multiplier: at least 900
- 2) Usage of water heating appliances (gas water heater, gas water boiler, gas steam boiler, etc.) with a total rated output of at least 30 kW.
- 3) Usage of at least one kitchen appliance from each of at least three of the following groups

Group 1:	Burners/ranges (ranges, built-in ranges, Chinese ranges, soup ranges, etc.)
Group 2:	Ovens (ovens, steam convection ovens, bakery ovens, etc.)
Group 3:	Friers (friers, etc.)
Group 4:	Rice cookers/noodle boilers (rice cookers, noodle boilers, soba pots, etc.)
Group 5:	Grills/cooking appliances (grills, gyoza cookers, hotplates, griddles, salamander stoves, rotating pots, tilting pans, braising pans, soup kettles, etc.)
Group 6:	Dishwashers (tableware sterilizer/storage units, sterilizing tanks, dishwashers, etc.)

- 4) Usage of air conditioning equipment having a gas-driven air conditioner heat sources with total rated output of at least 20 kW when used for cooling.

(End)