30 January, 2006

Fluctuation in Feedstock Prices and Adjustment of Gas Rates

Tokyo Gas Co., Ltd.

Yen/month

In accordance with the provisions for rate adjustment for feedstock costs, Tokyo Gas has set the unit commodity charge for meter readings over the months April-June 2006 upward by 4.01 yen per cubic meter (46.04655MJ) relative to the corresponding charge for meter readings for January - March 2006.

This adjustment is based on the average feedstock prices over the months of October-December 2005.

Customers will be notified of the gas rates applied to meter readings over the months during April and June 2006 by means of notices posted in Tokyo Gas business offices and their meter reading slips for March in advance.

- 1. Gas rates for the months during April and June 2006
- (1) Supply contract rate schedule
 (Application of rate schedule A~F as appropriate for the amount of gas use in the month in question)

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	Rate A	Rate B	Rate C	Rate D	Rate E	Rate F
Monthly consumption volume	0 to $20m^3$	21 to 80m ³	81 to 200m ³	201 to 500m ³	501 to 800m ³	Over 801m ³
Basic charge (yen/month)	724.50	1,083.60	1,365.00	2,499.00	5,806.50	13,786.50
Commodity charge(yen/m3)	139.60	121.64	118.13	112.46	105.84	95.87

(2) Effect on a standard customer

Monthly consumption volume of 50 cubic meters	Charge applied over the months April-June 2005	Charge applied for January -March 2006	Change
Including the national consumption tax	7,165	6,965	+200

2. Fluctuation in feedstock prices

		Yen/ton	
Standard average feedstock price (1)		30,390	
Average feedstock price over the months April– June 2005 (2)		41,150	
	LNG	39,790	
	LPG	63,160	
Difference (2) - (1)		10,760	

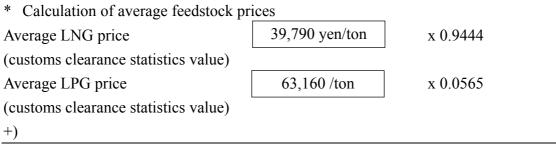
Note: Both LNG and LPG prices are based on customs clearance statistics.

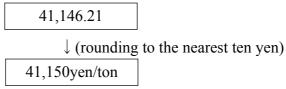
Reference: Outline of the feedstock cost adjustment scheme

- * The scheme provides for adjustment of the unit commodity charge in gas rates (i.e., the charge per cubic meter of gas consumed) at three-month intervals in correspondence with fluctuation in feedstock prices owing to factors such as exchange rates and crude oil prices.
- * The unit commodity charge is adjusted by 0.08715 yen per cubic meter for each 100 yen of fluctuation in feedstock price, based on the difference between the standard average feedstock price (30,390 yen per ton) and average feedstock price (calculated on the basis of LNG and LPG import prices in the quarter in question).
- * The fluctuation in feedstock prices is calculated on the basis of actual values in customs clearance statistics for both LNG and LPG.
- * Arrangements have been made to avoid both small and frequent rate adjustments as well as large fluctuations. The specific provisions are as follows.
 - There is no adjustment of gas rates if the difference between the standard average feedstock prices (30,390 yen/ton) and average feedstock price is less than 1,520 yen.
 - Even if the average feedstock price exceeds the upper limit of 48,620 yen, the amount of 48,620 yen is applied in the calculation of the gas rate adjustment.

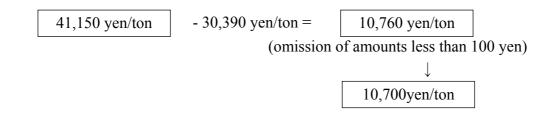
Reference document

Calculation of unit charge adjustment for feedstock costs





* Calculation of the amount of feedstock price fluctuation



* Effect on a standard customer

Yen/month

Monthly consumption	Charge applied over	Charge applied over	Change
volume of 50 cubic	the months April-June	the months January –	
meters	2006	March 2006	
Including the national consumption tax	7,165	6,965	+200

* Omission of amounts less than one yen in the calculation of the charge inclusive of the national consumption tax

* Method of calculation for the standard household charge (excluding the national consumption tax)

+ Commodity charge (<u>112.32</u> yen + 9.32yen) x $50m^3$

Commodity charge at the time of notification of the rate revision