

Revision of gas tariffs based on the exceptions to the modification of service agreement accompanying increase in the standard calorific value of service gas and taxes for anti-global-warming measures (Gunma Minami districts)

July 15, 2016  
Tokyo Gas Co., Ltd.

From October 14, 2016, we, Tokyo Gas Co., Ltd. (President: Mr. Michiaki Hirose, hereinafter referred to as the “Tokyo Gas”), shall raise the standard calorific value of the gas we supply to customers in the “Gunma Minami districts” category from the current 43.14 mega joules (MJ)/m<sup>3</sup> to 45 MJ/m<sup>3</sup>. In addition, with raising the tax for anti-global-warming measures, standard commodity charge per one cubic meter will be raised by 0.18 yen/m<sup>3</sup> (excluding consumption taxes). Today, with this gas tariffs change, Tokyo Gas notified the Minister of Economy, Trade and Industry of changes in our service agreement effective on October 14, 2016. This tax will start to be reflected to the gas tariffs for October 14, 2016.

Tokyo Gas purchases the supply gas to customers in the “Gunma Minami districts” (Fujioka, Takasaki) from Inpex Corporation (President: Mr. Toshiaki Kitamura, hereinafter referred to as the “INPEX”). Because the INPEX raises its standard calorific value of the gas it supplies to Tokyo Gas to 45 MJ/m<sup>3</sup> on October 14, 2016<sup>\*2</sup>, and then our service agreement will be effective on the same day.

The tariffs following this change are calculated with converting the current service agreement schedules (based on 43.14 MJ/m<sup>3</sup>) into the one based on 45MJ/m<sup>3</sup> to be equal to the fee at the same calorific value.

With the gas tariff change for with raising the tax for anti-global-warming measures, the monthly gas tariff for the standard household<sup>\*3</sup> in Gunma districts will be raised by 7-8 yen, excluding consumption taxes.

The commodity charge applied to the gas tariff for the month October 2016 and the monthly gas tariff for the standard household<sup>\*3</sup> will be announced at the end of August, when the adjustment charge is determined based on the gas tariff adjustment system.

Tokyo Gas continuously promotes management efficiency and makes every effort to enhance supply accountability and safety, and to promote energy conservation and global warming prevention.

\*1 The tax for anti-global-warming measures became effective on October 1, 2012, with a view to carrying out various initiatives to restrain CO<sub>2</sub> emissions and to reinforce anti-global warming measures through the tax scheme, based on the exceptions to taxes for anti-global-warming measures (Act on special measures concerning taxation, effective on October 1, 2012). Because avoiding the sudden elevation of tax burden for customers, the special measure to raise the tax in three phases was set. The third phase to raise tax was enforced on April 1, 2016.

\*2 INPEX supplied Tokyo Gas the gas containing the domestic natural gas at a high rate in the past. Because of increasing the rate of mixing the imported Liquefied Natural Gas (LNG) that has high calorific value, the value of its supply gas to Tokyo Gas will be also increased.

\*3 The tariff is calculated based on the average of 5 years (FY2006–FY2010) usage per household per month. The volume for the monthly gas tariff is 41 m<sup>3</sup> (43.14MJ/m<sup>3</sup>) in Gunma Minami districts.