

October 29, 2007
Tokyo Gas Co., Ltd.

Main Q&A items at the meeting for Interim Financial Results for FY 2007

- Q1. On page 15 of the presentation material, it is stated that there was a big increase in gas resource costs along with the rise in crude oil prices, and that much of this increase cannot be recovered during the term. Can this portion be recovered by transferring it to tariffs in the next term under the gas rate adjustment system?
- A1. The gas rate adjustment system provides for reflection of gas resource price fluctuations in sales prices about half a year later. Assuming that crude oil prices and exchange rates stay on the current level, the increase will be reflected in sales prices next term, in the form of an increase in the tariff charge per unit of use. There is a risk, however, of emergence of an additional irrecoverable cost if crude oil prices and exchange rate levels follow a trend that pushes gas resource costs up further.
- Q2. There were reports that the land in Toyosu to which the Tsukiji market is scheduled to be relocated was found to be contaminated with toxins in high concentrations exceeding environmental standards. Please tell us about the outlook on this issue.
- A2. We have executed studies and countermeasures in accordance with Metropolitan ordinances and the instructions of the Metropolitan government. I understand that the Metropolitan government experts' conference is conducting an additional study and considering further countermeasures for the contamination. We are paying close attention to the future recommendations of the experts' conference and measures taken by the Metropolitan government.