

30 January, 2008

Fluctuation in gas resource cost and adjustment of gas rates

Tokyo Gas Co., Ltd.

In accordance with the provisions for rate adjustment for gas resource costs, Tokyo Gas has set the unit commodity charge for meter readings over the months April-June 2008 upward by 4.76 yen per cubic meter (45MJ) relative to the corresponding charge for meter readings for January-March 2008.

This adjustment is based on the average gas resource prices over the months of October-December 2007.

Customers will be notified of the gas rates applied to meter readings over the months during April and June 2008 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 2008

(1) Supply contract rate schedule

(Application of rate schedule A~F as appropriate for the amount of gas use in the month in question)

| | Rate A | Rate B | Rate C | Rate D | Rate E | Rate F |
|--|-----------------------|-------------------------|--------------------------|---------------------------|---------------------------|-------------------------|
| Monthly consumption volume | 0 to 20m ³ | 21 to 81 m ³ | 82 to 204 m ³ | 205 to 512 m ³ | 513 to 818 m ³ | over 819 m 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) | 146.72 | 129.17 | 125.74 | 120.20 | 113.74 | 103.98 |
| <Reference> Commodity charge(yen/m3) January to March 2008 | (141.96) | (124.41) | (120.98) | (115.44) | (108.98) | (99.22) |

(2) Effect on a standard customer in residential sector yen/month

| Monthly consumption volume of 34 cubic meters(45MJ/m3) | Charge applied for April-June 2008 | Charge applied for January-March 2008 | Change |
|--|------------------------------------|---------------------------------------|--------|
| Including the national consumption tax | 5,475 | 5,313 | +162 |

2. Fluctuation in gas resource prices

| | yen/ton | |
|--|---------|--------|
| Standard average gas resource price (1) | 35,910 | |
| Average gas resource price over the months October– December 2007 (2) | 53,070 | |
| | LNG | 52,720 |
| | LPG | 80,930 |
| Difference (2) - (1) | 17,160 | |

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

Reference: Outline of the gas resource 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 gas resource prices owing to factors such as exchange rates and crude oil prices.
- * The unit commodity charge is adjusted by 0.08505 yen per cubic meter for each 100 yen of fluctuation in gas resource price, based on the difference between the standard average gas resource price (35,910 yen per ton) and average gas resource price (calculated on the basis of LNG and LPG import prices in the quarter in question).
- * The fluctuation in gas resource 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 gas resource prices (35,910 yen/ton) and average gas resource price is less than 1,800 yen.
 - Even if the average gas resource price exceeds the upper limit of 57,460 yen, the amount of 57,460 yen is applied in the calculation of the gas rate adjustment.
- * The scheme is not applied to Gunma district and Kofu district.

* Method of calculation for the standard gas rate in residential sector (excluding the national consumption tax)

= Standing charge (1,083.60 yen)

+ Commodity charge (114.63 yen +

| |
|-----------|
| 14.54 yen |
|-----------|

) x 34m³

↑

Commodity charge at the time of notification of the rate revision