

31 October 2008

Special measure to alleviate excessive fluctuation in rate adjustment for gas resource costs for regulated gas tariffs over the months January - March 2009 (in the Tokyo etc., Kumagaya, and South-Central Konosu districts)

Tokyo Gas Co., Ltd.

Today, Tokyo Gas Co., Ltd. (Mr. Mitsunori Torihara, President) filed an application and received authorization for special supply conditions in accordance with stipulations in the provisions of Article 21 of the Gas Utility Industry Law. The conditions consist of a special measure to alleviate excessive fluctuation in rate adjustment for gas resource costs in the case of small-volume regulated gas tariffs over the 4th quarter year ending 2009 (January – March of 2009).

Tokyo Gas recently received a request from the Minister of Economy, Trade and Industry to positively consider a special measure, based on both the need for gas rate stability and the interests of consumers, in rate adjustment for gas resource costs in the regulated retail segment, beginning in the first quarter of 2009. The Minister observed that gas rates are public utility tariffs and initiatives require which are firmly grounded in realities such as the impact of the prevailing economic situation and gas rates on the public, and noted apprehensions about such a significant impact of this sort in the aforementioned quarter. As a precondition, the special measures are not to detract from the soundness of our business due to the resulting decrease in income within the range of the stable supply.

In response to this request, we have decided to take a special measure to level rate adjustments for gas resource costs for customers in the aforementioned segment for the first quarter of 2009. More specifically, we shall not make adjustments for one-fourth (equivalent to 2.48 yen (tax included) per cubic meter of gas) of the amount of increase in the unit tariff adjustment from the preceding quarter (i.e., for meter readings over the months October - December 2008) in the first quarter of 2009; instead, we shall spread the adjustment out over the year-long period from 1 April 2009 to March 31 2010, in order to level the burden.

Without this special measure, the monthly gas tariff for the standard household (in the Tokyo district etc.) for meter readings in the first quarter of 2009 would have been increased by 337 yen (tax included) from the preceding quarter (meter readings over the months October - December 2008). As a result of the special measure, however, the increase will be held to 253 yen (tax included), or 84 yen (tax included) less.

Factors such as the drastic fluctuation of gas resource prices and the intensifying competition in the

energy market are making the circumstances surrounding our business increasingly harsh. In this situation, we are striving to raise our level of business efficiency while also working to improve customer services, assure supply stability and security, and contribute to the resolution of global environmental problems, in order to perform up to the expectations, and fulfill the trust, placed in us by our customers, shareholders, and the communities we serve.