

Gas rates for October 2014
based on fluctuation in gas resource cost and adjustment of gas rates
(Tokyo District, etc.)

Tokyo Gas Co., Ltd.

In accordance with the provisions for gas rate adjustment system, Tokyo Gas has set the unit commodity charge for meter readings in October 2014 downward by 1.31 yen per cubic meter (45MJ, tax included) relative to the corresponding charge for meter readings in September 2014.

The adjustments are made based on average resource costs in May 2014– July 2014.

With these adjustments, for meter readings during October 2014 of the standard household consuming 32m³(45MJ/ month) in the Tokyo district, etc., the monthly gas tariff will decrease by 42 yen (tax included) from that of September 2014(previous month).

1. Supply contract rate

(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 80 m ³ | 81 to 200 m ³ | 201 to 500 m ³ | 501 to 800 m ³ | over 801 m ³ |
| Basic charge (yen/month) | 745.20 | 1,026.00 | 1,198.80 | 2,062.80 | 6,382.80 | 12,430.80 |
| Commodity charge(yen/m ³) | 168.84 | 154.80 | 152.64 | 148.32 | 139.68 | 132.12 |
| <Reference> Commodity charge(yen/m ³) September 2014 | 170.15 | 156.11 | 153.95 | 149.63 | 140.99 | 133.43 |

*Calculated based on 8% tax

2. Effect on a standard customer in residential sector

| | yen/month | | |
|---|--|--|--------|
| Monthly consumption volume of 32 cubic meters(45MJ/m ³) | Charge applied for September 2014 (tax included) | Charge applied for October 2014 (tax included) | Change |
| Including the national consumption tax | 6,021 | 5,979 | -42 |

*The volume of standard household is calculated based on the average of 5years (FY2006-2010) usage per household per month.

3. Fluctuation in gas resource prices

| | yen/ton | | |
|---|-------------------|--------------------|------------|
| | Apr.2014-Jun.2014 | May.2014-July 2014 | Difference |
| Standard average gas resource price (1) | 82,470 | | / |
| Average gas resource price (2) | 87,490 | 86,010 | -1,480 |
| LNG | 87,340 | 85,790 | -1,550 |
| LPG | 89,400 | 89,420 | 20 |
| Difference (2) - (1) | 5,000 | 3,500 | -1,500 |

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

:"Difference(2)-(1)" are rounded down to the nearest hundred yen

4. Calculation of unit charge adjustment

Calculation of unit charge adjustment for gas resource costs

*Calculated based on 8% tax

●Calculation of average gas resource prices

| | | | |
|---|----------------|------------------------------------|--|
| Average LNG price (customs clearance statistics value) | 85,790 yen/ton | x 0.9545 | |
| Average LPG price (customs clearance statistics value) | 89,420 yen/ton | x 0.0461 | |
| +) | | | |
| | | | |
| | 86,008.81 | | |
| | | ↓ (rounded to the nearest ten yen) | |
| | 86,010 yen/ton | | |

●Calculation of the amount of gas resource price fluctuation

$$\begin{array}{r}
 \boxed{86,010 \text{ yen/ton}} - 82,470 \text{ yen/ton} = \boxed{3,540 \text{ yen/ton}} \\
 \text{(omission of amounts less than 100 yen)} \\
 \downarrow \\
 \boxed{3,500 \text{ yen/ton}}
 \end{array}$$

●Calculation of the adjusted rate (charge per cubic meter)

$$\begin{array}{l}
 \text{Adjusted rate=} \quad \boxed{3,500 \text{ yen}} \quad / \quad 100 \text{ yen} \times 0.08748 \text{ (*)} \\
 \text{(unit charge)} \\
 = \quad \boxed{3.06 \text{ yen}} \quad \text{(rounding up of amounts less than 0.01 yen)}
 \end{array}$$

*:The unit commodity charge is adjusted by 0.08748(0.081×1.08) yen per cubic meter for every 100 yen of fluctuation

* Effect on a standard customer in residential sector

| yen/month | | | |
|---|-----------------------------------|---------------------------------|--------|
| Monthly consumption volume of 32 cubic meters(45MJ/m ³) | Charge applied for September 2014 | Charge applied for October 2014 | Change |
| Including the national consumption tax | 6,021 | 5,979 | -42 |

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

Gas rate (Tokyo district, etc., tax included, rounded down to the nearest yen)

= Basic charge (1,026.00 yen)

+ Commodity charge (151.74 yen + 3.06yen) x 32m³

↑
Standard commodity charge at the time of notification of the tariff revision (tax-included)

↑
Unit commodity charge (tax-included)

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) every month 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 0.08748 yen per cubic meter (0.081 multiplied by 1.08(consumption tax)) for each 100 yen of fluctuation in gas resource price, based on the difference between the standard average gas resource price (82,470 yen per ton) and average gas resource price (calculated on the basis of weighted average cost of LNG and LPG import prices in the previous 3-5 months).
- * The fluctuation in gas resource prices is calculated on the basis of actual values in customs clearance statistics for both LNG and LPG.
- * Arrangement has been made to avoid price hike.

Even if the average gas resource price exceeds the upper limit of 131,950 yen, the amount of 131,950 yen is applied in the calculation of the gas rate adjustment.