

**Gas rates for July 2016**  
**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 July 2016 downward by 3.14 yen per cubic meter (45MJ, tax included) relative to the corresponding charge for meter readings in June 2016.

The adjustments are made based on average resource costs in February 2016– April 2016.

With these adjustments, for meter readings during July 2016 of the standard household consuming 32m<sup>3</sup>(45MJ/ month) in the Tokyo district, etc., the monthly gas tariff will decrease by 101 yen (tax included) from that of June 2016(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 <sup>3</sup> | 21 to 80 m <sup>3</sup> | 81 to 200 m <sup>3</sup> | 201 to 500 m <sup>3</sup> | 501 to 800 m <sup>3</sup> | over 801 m <sup>3</sup> |
| Basic charge (yen/month)  | 745.20                | 1,036.80                | 1,209.60                 | 1,857.60                  | 6,177.60                  | 12,225.60               |
| Commodity charge(yen/m <sup>3</sup> )                             | 129.80                | 115.22                  | 113.06                   | 109.82                    | 101.18                    | 93.62                   |
| <Reference><br>Commodity charge(yen/m <sup>3</sup> )<br>June 2016 | 132.94                | 118.36                  | 116.20                   | 112.96                    | 104.32                    | 96.76                   |

\*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 <sup>3</sup> ) | Charge applied for June 2016 (tax included) | Charge applied for July 2016 (tax included) | Change |
| Including the national consumption tax                              | 4,824                                       | 4,723                                       | -101   |

\*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             |                     |            |
|---|---------------------|---------------------|------------|
|   | Jan. 2016-.May.2016 | Feb. 2016-Apr..2016 | Difference |
| Standard average gas resource price (1) | 57,250              |                     | /          |
| Average gas resource price (2)          | 46,060              | 42,470              | -3,590     |
| LNG                                     | 46,040              | 42,480              | -3,560     |
| LPG                                     | 44,240              | 40,380              | -3,860     |
| Difference (2) - (1)                    | -11,100             | -14,700             | -3,600     |

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<br>(customs clearance statistics value) | 42,480 yen/ton | x 0.9479                           |  |
| Average LPG price<br>(customs clearance statistics value) | 40,380 yen/ton | x 0.0546                           |  |
| +)  |                |                                    |  |
|   |                |                                    |  |
|   | 42,471.54      |                                    |  |
|   |                | ↓ (rounded to the nearest ten yen) |  |
|   | 42,470yen/ton  |                                    |  |

#### ●Calculation of the amount of gas resource price fluctuation

$$\begin{array}{r}
 \boxed{42,470\text{yen/ton}} - 57,250 \text{ yen/ton} = \boxed{-14,780 \text{ yen/ton}} \\
 \text{(omission of amounts less than 100 yen)} \\
 \downarrow \\
 \boxed{-14,700 \text{ yen/ton}}
 \end{array}$$

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

$$\begin{array}{l}
 \text{Adjusted rate} = \boxed{-14,700 \text{ yen}} / 100 \text{ yen} \times 0.08748 (*) \\
 \text{(unit charge)} \\
 = \boxed{-12.86\text{yen}} \quad \text{(rounding up of amounts less than 0.01 yen)}
 \end{array}$$

\*: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 <sup>3</sup> ) | Charge applied for June 2016 | Charge applied for July 2016 | Change |
| Including the national consumption tax                              | 4,824                        | 4,723                        | -101   |

\*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 (1,036.80 yen)

+ Commodity charge (128.08 yen + -12.86 yen) x 32m<sup>3</sup>

↑  
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 (57,250 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 91,600 yen, the amount of 91,600 yen is applied in the calculation of the gas rate adjustment.