

July 30, 2015

## **Revision of Gas Rates and Decrease in the Standard Calorific Value of Service Gas**

Today, Toho Gas Co., Ltd. notified the Minister of Economy, Trade and Industry of changes in its service agreements, etc., effective on September 1, 2015. The main changes are a decrease in the standard calorific value of the gas we supply to 45 MJ/m<sup>3</sup> and a reduction averaging 1.57 percent (relative to the existing levels) in our gas rates for the entire regulated sector (small-volume segment) encompassing both service and optional agreements.

### 1. Revision of gas rates

We have revised our gas rates every several years in order to pass on to customers the results of management efforts to rationalize our business. The reductions announced today are implemented in order to return the results of management efforts since the previous revision (April, 2012), together with the expected management efforts in the future.

#### < Gas rates in service agreement\* >

Gas rates for customers using 31cubic meters per month (amount of average use in residential sector) after the revision will be 6,704 yen (tax-inclusive), lowered by 222 yen relative to the existing levels (6,926 yen, tax-inclusive).

\*calculated based on the average resource cost from January to March, 2015

### 2. Lowering the standard of calorific value of gas supplied

Effective on September 1, 2015, we shall decrease the standard calorific value of the gas we supply to customers from the current 46.04655 MJ/m<sup>3</sup> to 45 MJ/m<sup>3</sup>. This is in response to diversified gas supply sources along with the global trend of decline in calorific value of liquefied natural gas (LNG), the main feedstock of city gas.

Household customers will not have to make any modifications in the gas equipment they now use. Although some industrial and commercial customers will have to adjust their equipment along with the decrease in calorific value, we have contacted them individually and are proceeding with the adjustment.

Toho Gas will continue living up to the trust of stakeholders including customers and local society by enhancing business efficiency, ensuring stable supply, safety and security, and improving customer service.