

Gas Resource Cost Adjustment for April 2021 Gas Rates

February 25, 2021
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara) will raise its city gas unit rates, which will be applied to the regulated charges under the General Gas Supply Provisions*¹ and unregulated charges,*² for April 2021 meter reading by 4.27 yen/m³ (tax included) from those for March 2021 meter reading. The increase reflects the adjustment of gas resource costs based on the average gas resource price of November 2020 to January 2021 (40,870 yen/ton). This adjustment will raise the monthly gas rate for the standard household by 132 yen (tax included).

*¹ Refers to the General Provisions for Retail Service in Designated Former Service Area of a Deemed Gas Retailer Formerly Conducting General Gas Utility Business in accordance with Article 24 of the Supplementary Provisions of the amended Gas Business Act

*² Not applied to certain business customers

April 2021 regulated charges under the General Gas Supply Provisions (tax included)

(Depending on usage for the month, the amounts set for one of the groups A–H will be applied.)

| Group | Usage for the month | Basic charge (for the month, per gas meter) | Unit rate (per m ³) |
|-------|---|--|------------------------------------|
| A | 20 m ³ or less | 759.00 yen | 154.13 yen |
| B | more than 20 m ³ , up to 50 m ³ | 1,364.81 yen | 123.84 yen |
| C | more than 50 m ³ , up to 100 m ³ | 1,635.74 yen | 118.42 yen |
| D | more than 100 m ³ , up to 200 m ³ | 2,074.72 yen | 114.03 yen |
| E | more than 200 m ³ , up to 350 m ³ | 3,506.75 yen | 106.87 yen |
| F | more than 350 m ³ , up to 500 m ³ | 3,834.72 yen | 105.94 yen |
| G | more than 500 m ³ , up to 1,000 m ³ | 6,981.94 yen | 99.64 yen |
| H | more than 1,000 m ³ | 7,307.87 yen | 99.32 yen |

Average gas resource price (yen/ton)

| | November 2020 to January 2021 | Base average gas resource price |
|---|----------------------------------|------------------------------------|
| LNG average import price (trade statistics) | 40,070 | 63,310 |
| LPG average import price (trade statistics) | 50,970 | 72,040 |
| Average gas resource price (converted into LNG) | 40,870 | 64,090 |

Average gas resource price = LNG average import price × 0.9476*³ + LPG average import price × 0.0569*⁴ (rounded off to the nearest 10-yen unit)

*³ The ratio of LNG to total gas resources

*⁴ The ratio of LPG to total gas resources, adjusted for the factor for converting LPG into LNG

Impact on standard households (yen/month)

| | April 2021 | March 2021 | Difference |
|--|------------|------------|------------|
| Usage at standard household* ⁵ : 31 m ³ /month (tax included) (45 MJ/m ³) | 5,203 | 5,071 | +132 |

*⁵ Average monthly usage per household (based on the five years from April 2011 to the end of March 2016).
In reality, usage fluctuates every month, depending on the season and usage conditions.

Exhibit

1. Calculation of the adjustment amount of the unit rate for the month

(Average gas resource price) (Base average gas resource price) (Difference)

$$40,870 \text{ yen/ton} - 64,090 \text{ yen/ton} = -23,220 \text{ yen/ton}$$

$$-23,220 \text{ yen/ton} \div 100 \text{ yen/ton} = -232.2 \rightarrow -232 \text{ (figures after the decimal fractions omitted)}$$

(Consumption tax) (Adjustment amount for the month)

$$-232 \times 0.081 \times (1 + 0.1) = -20.6712 \rightarrow -20.68 \text{ yen/m}^3 \text{ (the third decimal place rounded up)}$$

(Adjustment amount for the month) (Adjustment amount for the previous month) (Difference from the previous month)

$$-20.68 \text{ yen/m}^3 - (-24.95 \text{ yen/m}^3) = +4.27 \text{ yen/m}^3$$

2. Changes in gas tariff for the standard household (yen/month)

| | April 2021 | March 2021 | February 2021 | January 2021 |
|--|---------------|---------------|------------------|-----------------|
| Monthly rate for standard household* ⁶ using 31 m ³ (tax included) | 5,203 | 5,071 | 4,985 | 4,963 |
| Difference from the previous month | +132 | +86 | +22 | -75 |

*⁶ Average monthly usage per household (based on the five years from April 2011 to the end of March 2016). In reality, usage fluctuates every month, depending on the season and usage conditions.

April 2021 gas rate (tax included) for the standard household is calculated as follows:

$$1,364.81 \text{ yen/month} + (144.52 \text{ yen/m}^3 + (-20.68 \text{ yen/m}^3)) \times 31 \text{ m}^3/\text{month}$$

$$= 5,203 \text{ yen/month (figures after the decimal fractions omitted)}$$