

January 30, 2014

Toho Gas in agreement with the U.S. Cameron Project for LNG purchase

Toho Gas Co., Ltd. (Koichi Yasui, President), today has entered into a sale and purchase agreement with Mitsui & Co., Ltd. (“Seller”) for a purchase of LNG produced at the U.S. Cameron Project (“Project”).

1. Objective of agreement conclusion

We accurately keep track of any change in the environment for procuring energy, and strive for LNG procurement diversification, including diversification of the price-index, supply sources and types of contracts to ensure a stable energy supply to customers at a competitive price.

For the first time, we will apply the natural gas linked price (U.S. Henry Hub linked price) to the price index of LNG purchased from the Project in our long-term LNG contract. We will make further efforts to diversify the price index. Meanwhile, we believe that procuring LNG from the U.S., in addition to the current five supplier countries (Indonesia, Australia, Malaysia, Qatar and Russia), will help improve LNG supply stability.

2. Outline of the Project

In this Project, Sempra Energy in the U.S. plans to construct LNG liquefaction facilities in Cameron, Louisiana, U.S. (overall capacity, 12 million tons per annum; 4 million tons x 3 trains) at the Cameron LNG Terminal - currently owned and operated by Cameron LNG, a subsidiary of Sempra Energy - to liquefy U.S. natural gas, including shale gas, and export as LNG.

In accordance with the agreement, we will annually purchase approximately 300,000 tons of LNG from the Seller for 20 years from the start of production under this Project.

We will continue diversifying LNG procurement to ensure stable city gas supply to customers at a competitive price.

<Overview of the Sales Contract>

- (1) Parties : Seller Mitsui & Co., Ltd.
Buyer Toho Gas Co., Ltd.
- (2) Duration : 20 years from the start of production
- (3) LNG Volume : 4 cargoes per annum (Approx. 300,000 tons per annum)
- (4) Price Index : Natural gas-linked price (Henry Hub-linked price)
- (5) Delivery : Ex-ship (Seller arranges LNG transportation to buyer's receiving terminals)

<Reference>

Overview of the Cameron Project

LNG Operator : Cameron LNG LLC. *Sempra LNG has the full ownership
(Mitsui & Co., Ltd will acquire a 16.6% equity interest through
Investment subsidiary in U.S.)

Location : Hackberry, Louisiana, U.S.

Liquefaction Facilities : Approx. 4 million tons/year ×3 trains

Production Start : the second half of 2017 (Planned)

