

July 29, 2016

Acquisition of the Stake in the Natural Gas Distribution Company in Europe

Toho Gas Co., Ltd. (Yoshiro Tominari, President), together with Marubeni Corporation (“Marubeni”), has reached an agreement with Galp Energia, SGPS, S.A. (“Galp”), a major Portuguese energy company, to acquire a part of stake of its wholly owned gas distribution company, Galp Gás Natural Distribuição, S.A. (“GGND”).

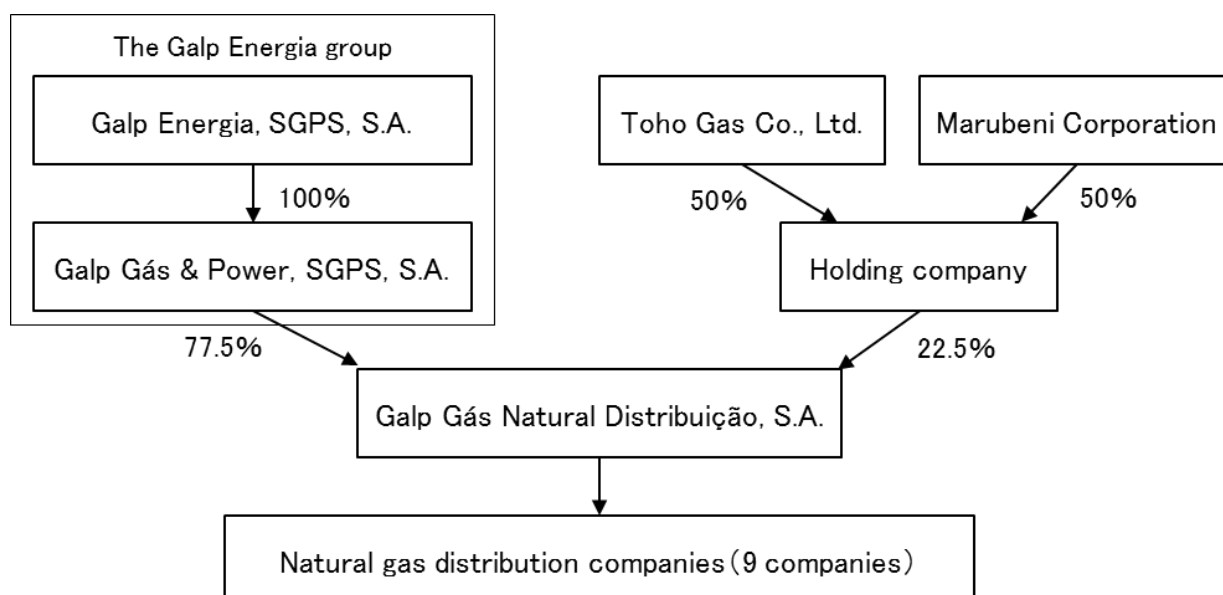
We, together with Marubeni, will establish a holding company, which acquires 22.5% stake of GGND.

In the medium-term management plan (FY2014-FY2018), we listed two concepts, “building a robust gas business” and “taking on challenges for further growth.” The plan states the policy to allocate the cash flow created by steady growth of gas business and strengthening affiliated business to return to shareholders and expansion of our gas business service area and scope of business while maintaining strong financial structure.

This investment is a part of efforts for expanding scope of business. We continuously work on realizing the medium-term management plan and sustainable growth.

< Reference >

1. Business scheme



2. Outline of GGND

Company Name	:	Galp Gás Natural Distribuição, S.A.
Location	:	Lisbon, Portugal
Business	:	Gas distribution business
Total assets	:	€1,148 million
Connections	:	1.05 million households
Length of gas pipeline	:	12,500 km
Volume distributed	:	1.4 billion m ³ per annum

[Distribution Area]



3. Outline of Galp

Company Name	:	Galp Energia, SGPS, S.A.
Location	:	Lisbon, Portugal
Business	:	Oil and Gas Exploration and Production, Refining and Marketing, Gas and Power Business
Area of Business	:	Portugal, Brazil, Angola and Mozambique