

Osaka Gas Co., Ltd.
ITOCHU Corporation
Sojitz Corporation

Partial Transfer of Nissho Petroleum Gas Stock

(Japan, August 31, 2005)--Osaka Gas Co., Ltd. (President: Hirofumi Shibano) and ITOCHU Corporation (President & CEO: Eizo Kobayashi) have been negotiating a tie-up concerning the import and domestic sales of LPG (liquefied petroleum gas). Sojitz Corporation (President & CEO: Akio Dobashi) has reached an agreement with the two companies as described below, concerning the partial transfer of stock of Nissho Petroleum Gas Corporation (President and Representative Director: Masaru Ohe), an Osaka Gas Group company that undertakes the import and sale of LPG. The said stock transfer was completed today. Further, ITOCHU and Nissho Petroleum Gas have decided to consider an alliance, which would include integration of the LPG import and wholesale functions of the respective companies.

Details of the stock transfer are as follows:

1. Osaka Gas to receive from Sojitz 2,400 shares of Nissho Petroleum Gas stock currently owned by Sojitz
2. ITOCHU to receive from Osaka Gas 8,000 shares of Nissho Petroleum Gas stock currently owned by Osaka Gas

Upon completion of the above stock transfers, the ratio of shares held in Nissho Petroleum Gas Corporation will be 52.5 percent Osaka Gas, 25.0 percent ITOCHU and 22.5 percent Sojitz. (See below.)

	Before stock transfer	After stock transfer
Osaka Gas	70.0%	52.5%
Sojitz	30.0%	22.5%
ITOCHU	0.0%	25.0%

Osaka Gas and ITOCHU reached an agreement to start alliance negotiations concerning the import and domestic sale of LPG, concluded a memorandum of

understanding on May 31 this year, and made the announcement. After reviewing the form of the alliance together with Sojitz, which alliance utilizes the strengths of the participating parties and from which synergetic effects can be expected, it has been decided that the aforementioned capital alliance is indispensable in order to expand service to customers and to strengthen competitiveness. This decision resulted in the implementation of the subject stock transfer.

Concrete business alliance negotiations in the field of domestic LPG sales have already been launched between Nissho Petroleum Gas Corporation and ITOCHU ENEX CO., LTD (President: Kiyomi Yamada), an ITOCHU group company that conducts sales of petroleum products and LPG. With the subject capital alliance as a start, the ITOCHU Corporation and Nissho Petroleum Gas Corporation will move ahead on consideration of a tie-up in the field of import and wholesale, including the integration of functions.

The Osaka Gas Group and the ITOCHU Group plan to continuously expand the scope of business alliances, in an aggressive manner, to other groups that engage in LPG business.

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