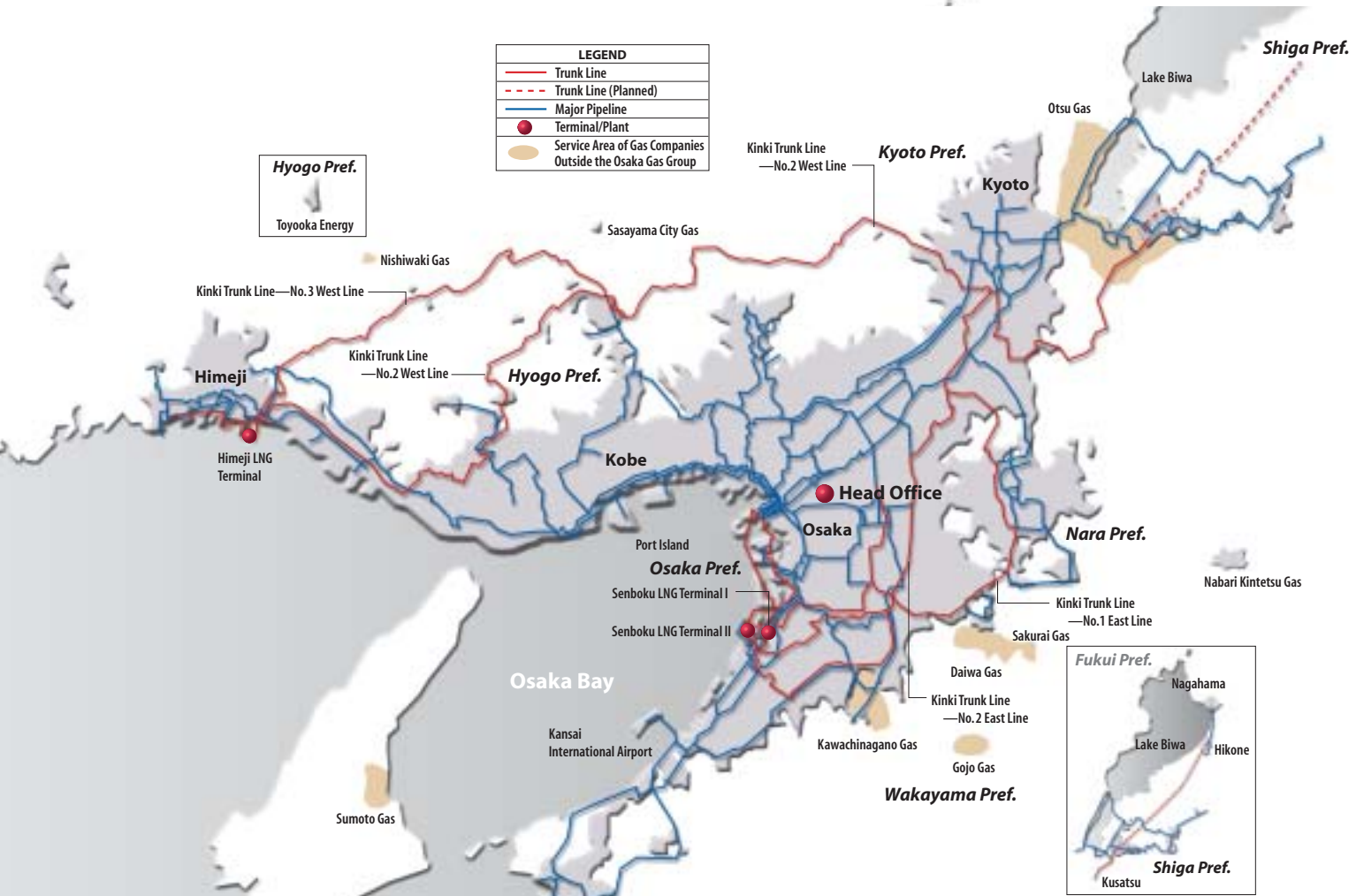


BUSINESS FOUNDATION OF OSAKA GAS

The Osaka Gas Group engages in the core business of supplying natural gas and a variety of other businesses in the Kansai region, one of Japan's largest economic zones. Osaka Gas imports natural gas in the form of liquefied natural gas (LNG), and distributes it to about 6.6 million customers, or about 25% of the total number of customers in Japan. Gas volume is equivalent to 7.76 billion cubic meters (non-consolidated basis), or approximately 30% of the nation's gas consumption. Our service area covers 69 cities and 41 towns in six prefectures. The Osaka Gas Group's service area is steadily growing, measuring approximately 3,220 square kilometers with gas pipelines extending about 55,300 kilometers as of March 31, 2004. (The aforementioned figures are either for Fiscal 2004 or March 31, 2004.)

As of June 30, 2004, the Osaka Gas Group also comprises 76 energy business sector companies, which handle liquefied petroleum gas, electric power and district heating and cooling operations, and 43 non-energy business sector companies with operations in real estate, restaurants and food, IT, and carbon products.



Note: Toyooka Energy Co., Ltd. was established from the Toyooka Office of Osaka Gas Co., Ltd. in June 2004. Sasayama City Gas Co., Ltd. was established in April 2004 after receiving the gas operations of Sasayama City.