

**EFFORTS TO MAXIMIZE OUR CORPORATE VALUE FOR SOCIETY
(CORPORATE CODE OF CONDUCT, SOCIAL CONTRIBUTIONS AND ENVIRONMENTAL ACTIONS)**

To realize sustainable growth of the economy, corporations are expected more and more to fulfill their social responsibilities in contributing to the improvement of the environment and society, respecting human rights and managing occupational health. The Osaka Gas Group aims to maximize its social value on various fronts ranging from information disclosure and compliance to environmental activities and social contributions.

Please refer to the Message from the Management for a description of our basic policies on corporate governance and compliance. In addition, our Environmental and Social Action Report contains detailed information about compliance, environmental activities and contributions to society.

Osaka Gas Group Code of Conduct

The Osaka Gas Group Code of Conduct embodies the following points, and is used to spread awareness of these issues throughout the Group.

1. Code of Conduct as a Good Corporate Citizen:

- 1) Respect human rights, and do not discriminate against our customers and employees based on race, religious beliefs, sex, social status or family lineage
- 2) Consider environmental preservation by preventing emissions of harmful substances and recycling waste

2. Code of Conduct in Gas Production and Supply:

- 1) Carry out business activities in good faith by adhering to laws and ordinances related to the gas business and placing customer satisfaction first
- 2) Ensure the safety of customers in the production and sale of products as well as construction work. In the event of an accident, quickly find the cause and make every effort to prevent a reoccurrence by taking appropriate measures such as recalling products and issuing warnings.

3. Code of Conduct for Business Transactions:

- 1) Conduct business transactions in a proactive and fair manner in accordance with antimonopoly law
- 2) Conduct fair transactions, and do not take advantage of superior position over transaction partners if one exists
- 3) Build a relationship of trust with customers in good faith
- 4) Socialization with partners and suppliers should be conducted with moderation and common sense in compliance with the law

4. Code of Conduct for Information Management:

- 1) Manage information so that customer information is not leaked. Disclose management information in a timely and appropriate manner
- 2) Manage our intellectual property and do not infringe on the intellectual property of others

5. Code of Conduct in the Workplace:

- 1) Strive to create a workplace where employees work comfortably with mutual respect
- 2) Do not discriminate against or treat unfairly employees in their wages and benefits regardless of a type of employment

6. Code of Conduct in Society:

- 1) Prohibit transactions and sharing profits with groups that show antisocial behavior
- 2) Pay taxes fairly

Social Stewardship

The Osaka Gas Group believes contributing to society and deepening its connection with customers is its corporate mission and crucial to future development. In line with this belief, we are contributing to society through the establishment of foundations that encourage our employees to make contributions to local communities as a corporate citizen as well as to promote welfare and international exchange.

Since 1991, Osaka Gas has backed the volunteer activities of its employees by providing information and putting in place support systems in terms of time, money and facilities. The community leave system was created to allow employees to take time off to participate in community events and support local sports and cultural exchange activities. Over the past 10 years, the community leave system has been used on about 150 different occasions. The community gift system was started to provide financial support for events as well as the purchase of equipment and materials for groups and individuals that contribute to the betterment of the

welfare of local communities, such as supporting handicapped people and the elderly, taking care of infants and children, and cleaning activities. It has contributed on about 180 different occasions over the past 10 years.

Established in 1985, the Osaka Gas Group Welfare Foundation has worked closely with local communities in promoting welfare activities for the elderly, assistance for research and surveys, and activities to improve the health of the elderly. Founded in 1992, the Osaka Gas Foundation of International Cultural Exchange provides educational support to elementary, junior high schools, high schools and universities in natural gas producing nations in Southeast Asia and the Pacific region, by supplying educational materials, providing assistance for research in natural gas-related technologies and environmental technologies, awarding scholarships to high school students and university students, and assisting in the training of technicians and researchers.

Environmental Activities

Based on the fundamental concept that environmental activities are the business activities of an energy utility company, Osaka Gas has formulated the 2010 Environmental Goals and 2005 Medium-Term Environmental Goals as a guide for Groupwide efforts to preserve the environment. We have set 34 medium-term environmental targets, including 24 quantitative targets, that follow three action guidelines such as for CO₂ emissions per cubic meter of gas sold.

From fiscal 2004, we are introducing Environmental Sustainability Indicators to effectively promote environmental activities based on a quantitative understanding of progress in environmental management. For environmental sustainability, we have set a target of 4.0 cubic meters per yen for fiscal 2006. In fiscal 2004, we achieved environmental sustainability of 3.7 cubic meters per yen as a result of reductions in CO₂ emissions from our business activities and reductions in final disposal waste volume for soil excavated during gas pipeline construction and industrial waste.

In fiscal 2004, Osaka Gas achieved a primary target in its 2005 Medium-Term Environmental Goals two years ahead of schedule. We attained CO₂ emissions per cubic meter of gas sold totaling 18g CO₂/m³, compared

with the goal of 19g CO₂/m³. Osaka Gas also made steady progress in easing the environmental impacts of its business activities, such as by reducing resource consumption and increasing use of recycled materials. In addition, we are making efforts to improve the environment on various fronts, such as promoting energy service company (ESCO) operations in Japan, spreading environmental technology overseas including in China and Indonesia, introducing tri-generation technology for effectively using CO₂ in exhaust gas, and developing storage and supply technology for hydrogen as a next-generation energy source.

As a means for effectively advancing environmental activities at Group companies, we plan to introduce environmental management systems including the acquisition of ISO 14001 certification by fiscal 2011. Group companies have been acting on their own accord, and 10 companies have already acquired ISO 14001 certification for their environmental management systems. For those Group companies that have not acquired certification yet, Osaka Gas aims to promote its acquisition depending on business scale and type by fiscal 2011.