



ANNUAL REPORT
2005
For the year ended March 31, 2005

Osaka Gas Co., Ltd.

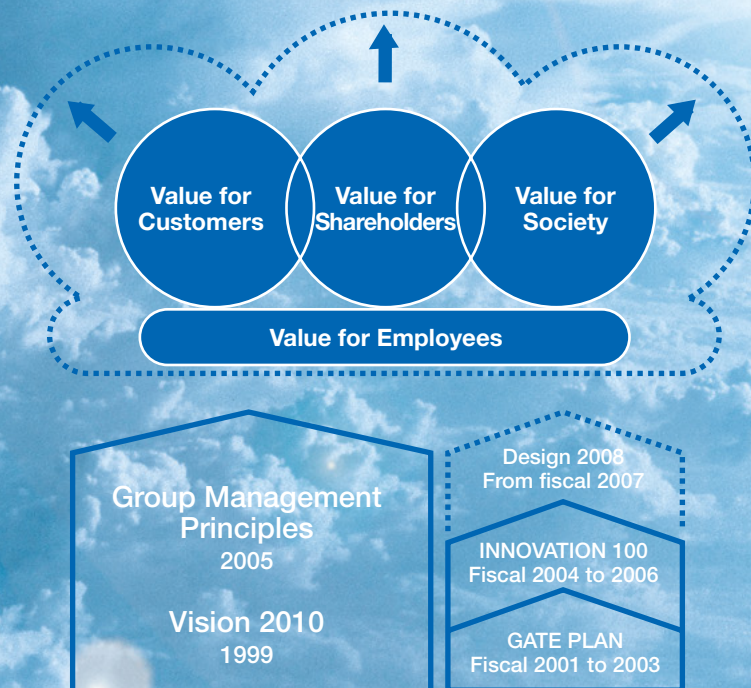
Value Creation Management

— Doing business for the next 100 years

The Osaka Gas Group established VISION 2010 in October 1999 as the Group’s management vision and set the management philosophy of value creation to maximize the corporate value for our customers, shareholders, and the society. Based upon the successful results of the GATE PLAN, our business plan for FY 2001–FY 2003, which had been formulated as the first phase of VISION 2010, we established INNOVATION CENTENNIAL, our next three-year business plan for FY 2004–FY 2006, as the second phase of VISION 2010.

In FY 2004 and FY 2005, the first two years of INNOVATION CENTENNIAL, we delivered satisfactory outcomes toward achieving the goals in the final year. In January 2005, in consideration of changes in business environment after the release of VISION 2010, we reviewed it expansively to newly establish the Value Creation Management in New Business Millennium. In FY 2006, we exerted an effort to achieve the final goals of INNOVATION CENTENNIAL and to develop the new medium-term business plan for FY 2007 and the succeeding years.

Exploring business opportunities in the rapidly changing energy market, the Osaka Gas Group is determined to shift our focus from the energy business centered on gas operations in the Kansai area to a new broadband and multi-faceted energy business. We aim to further evolve our group by challenging business reforms flexibly and speedily and by implementing continuous innovations, while we, led by the group’s core companies, bolster competitiveness and improve profitability of our non-energy businesses.



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Forward-Looking Statements

Statements contained in this report with respect to the Osaka Gas Group's plans, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of the Osaka Gas Group which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Osaka Gas Group's actual results, performance or achievements to differ materially from the expectations expressed herein.