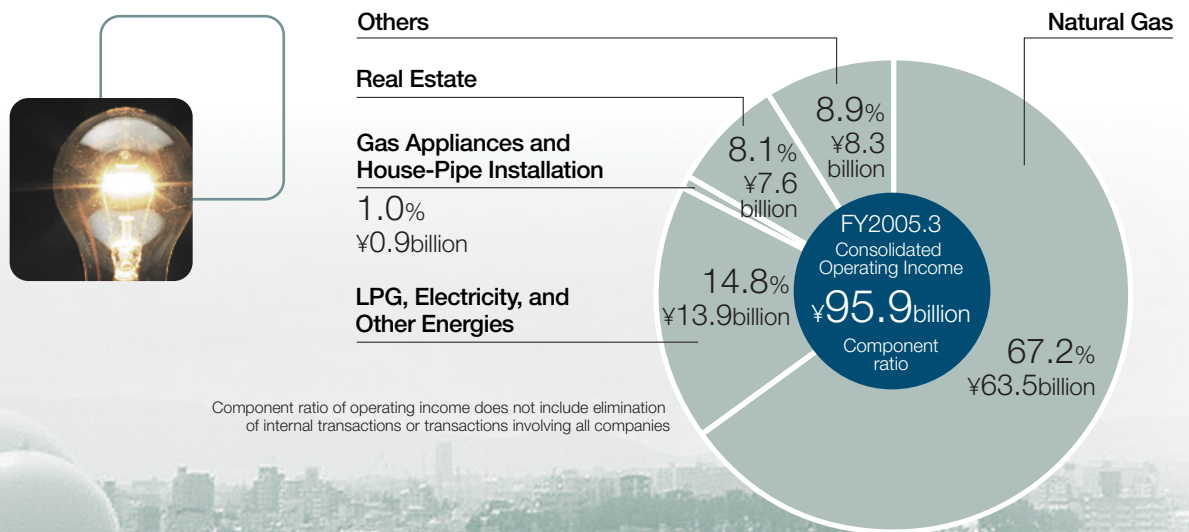
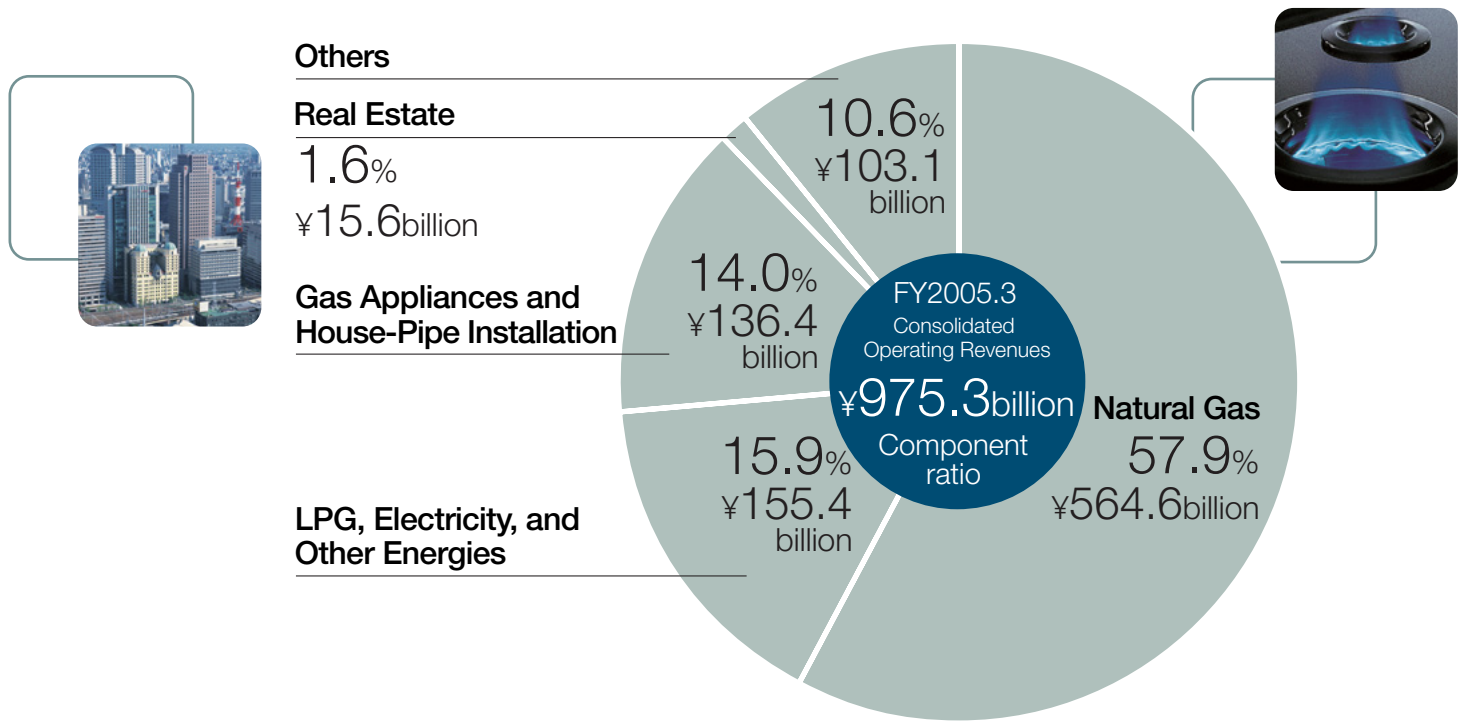


The Osaka Gas Group divides its operations into five business segments: (1) Natural Gas, (2) LPG, Electricity and Other Energies, (3) Gas Appliances and House-Pipe Installation, (4) Real Estate, and (5) Others. The Group also classifies its companies under two business groups: a growth-oriented group that seeks to maximize synergies with the energy businesses, and a group of contributors to consolidated profits that independently pursues cash-in from outside the Group mainly through non-energy businesses, to improve the corporate value of the Group by expanding growth businesses through selection and concentration, and by quickly realizing and accelerating positive SVA* at affiliated companies.

*SVA = NOPAT - (interest-bearing liabilities + shareholders' equity) x WACC
 NOPAT (Net operating profit after taxes) = Before-tax income before deduction of interest paid x (1 - effective tax rate)
 SVA (Shareholder's Value Added) = Current net income before interest and taxes - Corporate tax etc. - Cost of capital



Component ratio of operating income does not include elimination of internal transactions or transactions involving all companies



Natural Gas

Osaka Gas Co., Ltd., Nabari Kintetsu Gas Co., Ltd., Sasayama City Gas Co., Ltd., and Toyooka Energy Co., Ltd., supply natural gas. They procure, transport, store, and supply natural gas through pipelines to customers in a vertically integrated manner.

Summary of Business Segments

refer P.16

(Millions of Yen, %)

	'04.3	'05.3	Rate of change
Operating Revenues	¥568,047	¥564,678	-0.6%
Operating Income	58,044	63,523	9.4%
Total assets at end of year	676,781	674,312	-0.4%
Return on Assets (ROA) (%) (Note 2)	8.3%	9.4%	—
Operating Income Margin	10.2%	11.3%	—



LPG, Electricity, and Other Energies

The Liquid Gas Group and the Nissho Petroleum Gas Corporation Group are in charge of the industrial and fuel gas business. Gas and Power Co., Ltd., Nakayama Joint Power Generation Co., Ltd., and Nakayama Nagoya Joint Power Generation Co., Ltd., are engaged in the wholesaling business of electricity generation. Gas and Power Investment Co., Ltd., handles district heating and cooling operations. Cogen Techno Service Co., Ltd., designs, installs, sells, and provides commission services for cogeneration systems.

Summary of Business Segments

refer P.23

(Millions of Yen, %)

	'04.3	'05.3	Rate of change
Operating Revenues	¥130,670	¥155,424	18.9%
Operating Income	15,740	13,976	-11.2%
Total assets at end of year	172,638	178,561	3.4%
Return on Assets (ROA) (%) (Note 2)	9.5%	7.9%	—
Operating Income Margin	12.1%	9.0%	—



Gas Appliances and House-Pipe Installation

Osaka Gas Co., Ltd., Enetech Kyoto Co., Ltd., Hearts Co., Ltd., and other companies sell gas appliances. Osaka Gas performs the installation of indoor gas pipes at customers' expense. Kinpai Co., Ltd., performs the installation of indoor and outdoor gas pipes under contract with Osaka Gas.

Summary of Business Segments

refer P.25

(Millions of Yen, %)

	'04.3	'05.3	Rate of change
Operating Revenues	¥143,164	¥136,434	-4.4%
Operating Income	2,231	959	-57.0%
Total assets at end of year	69,144	66,332	-4.1%
Return on Assets (ROA) (%) (Note 2)	3.0%	1.4%	—
Operating Income Margin	1.6%	0.7%	—



Real Estate

Urbanex Inc. OG Capital Co., Ltd., and other companies are engaged in real estate development, management, and personnel services (engaged in the leasing, management and other services mainly for real estate owned by the Group). Kyoto Research Park Co., Ltd., manages the research park, promotes exchange between the industrial academic fields, and fosters the development of venture companies. OSC Engineering Co., Ltd., provides building maintenance and other services.

Summary of Business Segments

refer P.25

(Millions of Yen, %)

	'04.3	'05.3	Rate of change
Operating Revenues	¥13,744	¥15,614	13.6%
Operating Income	7,077	7,655	8.2%
Total assets at end of year	102,526	107,870	5.2%
Return on Assets (ROA) (%) (Note 2)	6.9%	7.2%	—
Operating Income Margin	51.5%	49.0%	—



Others

Kinrei Co., Ltd., operates restaurant chains and other food service businesses and manufactures and sells frozen foods. OGIS Research Institute Co., Ltd., and other companies provide a wide spectrum of information processing services using computers. Osaka Gas Chemicals Co., Ltd., manufactures and sells carbon materials and fine materials and sells chemical products. The Osaka Gas Group's other subsidiaries are engaged in engineering, sale of housing equipment, security and disaster prevention services and other businesses.

Summary of Business Segments

refer P.26

(Millions of Yen, %)

	'04.3	'05.3	Rate of change
Operating Revenues	¥95,697	¥103,188	7.8%
Operating Income	7,485	8,389	12.1%
Total assets at end of year	115,157	125,826	9.3%
Return on Assets (ROA) (%) (Note 2)	6.1%	6.9%	—
Operating Income Margin	7.8%	8.1%	—

ROA is defined as "operating income /total assets (average)" in this page only.