

3 Gas Appliances and House-Pipe Installation Segment

The Group expands business to increase gas users and to contribute to gas sales.

The Osaka Gas Group engages in the sale of gas appliances and house-pipe installation with the ultimate aim of contributing to the expansion of natural gas sales volume.

We endeavor to develop inexpensive, easy-to-use, high-quality gas appliances and promote the wider use of gas equipment in order to increase sales of natural gas.

For home gas appliances, the Group exerts efforts to expand the sales of the residential gas engine cogeneration system ECOWILL, which generates both electricity and heat required for households efficiently.

It also promotes development of fuel cells for home use and succeeded in installing fuel cells in housing complexes in March 2005. A mist sauna function was added to a bathroom heater/drier as the new product MIST KAWACK.

For a glass-top stove, safety, usability, and design were further pursued and the new product, Class S Premier, was put on the market. In the field of industrial gas appliances, the Group promotes the sales expansion of a gas heat pump style air conditioner, Gas Heat Pump, and gas cogeneration systems.

It also succeeded in developing a gas micro cogeneration system (cogeneration system less than 100 kW) of 25 kW, which boasts power generation efficiency at the world's highest level of 33% and started sales.

In house pipe installation, we install pipes in a customer's house at an affordable price in order to increase the number of customers and gas fixtures inside homes.

4 Real Estate Segment

The Group enhances liaison with the energy business in terms of pervasion of utilization of gas, based on the group's real estate management business.

Consolidated subsidiaries involved in the real estate business consist of Urbanex Inc. Urbanex Development Inc., Urbanex Service Co., Ltd., OSC Engineering Co., Ltd., Kyoto Research Park Co., Ltd., and six other companies. Urbanex Development Inc., and Takara Enterprise Co., Ltd., became subject to consolidated accounting this fiscal year. Urbanex Inc., and Urbanex Development Inc., develop and manage office buildings and homes to effectively utilize the real estate holdings primarily of the Osaka Gas Group. Urbanex Service Co., Ltd., OSC Engineering Co., Ltd., and Takara Enterprise Co., Ltd., provide office building and maintenance services.

In the fiscal year under review, the Urbanex Group posted an increase in sales due to an increase in the sales of houses as well as growth in the office building management business.

We are focusing efforts on expanding the rental and sale of real estate and the facility management operations, as well as strengthening the liaison with the Company's energy business to maximize the synergy effects.



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