






# Summary of Business Segments

The Osaka Gas Group divides its operations into five business segments: Natural Gas; LPG, Electricity and Other Energies; Gas Appliances and House-pipe Installation; Real Estate; and 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 inflows of cash from outside the Group mainly through non-energy businesses. Expanding growth businesses through selective and concentrated allocation of resources and by quickly realizing and accelerating positive SVA of associated companies, the Osaka Gas Group endeavors to increase its overall corporate value.

Segment	Main Business	Segment Overview			
	<b>Gas</b> Osaka Gas Co., Ltd., Nabari Kintetsu Gas Co., Ltd., Toyooka Energy Co., Ltd., and Sasayama-Toshi Gas Co., Ltd. supply natural gas as an energy source. They procure, transport, store, and supply natural gas through pipelines to customers in a vertically integrated manner.	Millions of yen	04.3	05.3	<b>06.3</b>
		Operating revenues	568,047	564,678	<b>608,142</b>
		Operating income	58,044	62,455	<b>61,811</b>
		Total assets at end of year	676,781	688,639	<b>686,433</b>
		ROA	8.3%	9.4%	<b>9.1%</b>
		Operating income margin	10.2%	11.1%	<b>10.2%</b>
	<b>LPG, Electricity and Other Energies</b> The Liquid Gas Group, the Nissho Petroleum Gas Corporation Group, and other companies 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 electric power generation and wholesaling business. Gas and Power Investment Co., Ltd. handles district heating and cooling operations. Cogeneration Technology Service Co., Ltd. designs, installs, sells, and provides commission services for cogeneration systems. The LNG transport and gas/oil field interests businesses are included in this segment.	Millions of yen	04.3	05.3	<b>06.3</b>
		Operating revenues	130,670	155,987	<b>186,342</b>
		Operating income	15,740	14,138	<b>18,519</b>
		Total assets at end of year	172,638	180,394	<b>299,986</b>
		ROA	9.5%	8.0%	<b>7.7%</b>
		Operating income margin	12.0%	9.1%	<b>9.9%</b>
	<b>Gas Appliances and House-pipe Installation</b> Osaka Gas Co., Ltd., Enetec 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.	Millions of yen	04.3	05.3	<b>06.3</b>
		Operating revenues	143,164	149,981	<b>155,339</b>
		Operating income	2,231	2,756	<b>5,212</b>
		Total assets at end of year	69,144	58,268	<b>59,032</b>
		ROA	3.0%	1.4%	<b>8.3%</b>
		Operating income margin	1.6%	1.8%	<b>3.4%</b>
	<b>Real Estate</b> Urbanex Co., Ltd., OG Capital Co., Ltd., and other companies are engaged in real estate development, management, and personnel services mainly for real estate owned by the Group. Kyoto Research Park Corp. manages the research park, promotes exchange between industry and the academic community, and fosters the development of venture companies. OSC Engineering Co., Ltd. provides building maintenance and other services.	Millions of yen	04.3	05.3	<b>06.3</b>
		Operating revenues	13,744	12,382	<b>12,908</b>
		Operating income	7,077	7,103	<b>6,626</b>
		Total assets at end of year	102,526	102,550	<b>111,481</b>
		ROA	6.9%	7.3%	<b>6.0%</b>
		Operating income margin	51.5%	57.4%	<b>51.3%</b>
	<b>Others</b> Osaka Gas Information System 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. In October 2005, the Osaka Gas Group divested Kinrei Co., Ltd., which operates restaurant chains and other food service businesses and manufactures and sells frozen foods.	Millions of yen	04.3	05.3	<b>06.3</b>
		Operating revenues	95,697	92,310	<b>103,227</b>
		Operating income	7,485	8,050	<b>7,752</b>
		Total assets at end of year	115,157	123,051	<b>139,929</b>
		ROA	6.1%	7.0%	<b>5.8%</b>
		Operating income margin	7.8%	8.7%	<b>7.5%</b>

Notes: 1. Operating revenues stated on this page refer to sales to external customers.

2. ROA is defined as operating income divided by average total assets on this page only.

3. Figures for the fiscal year ended March 2004 have not been adjusted to reflect changes in segment classifications.