

# Corporate Governance

## Corporate Governance Measures and Policies

In decision-making, Osaka Gas follows a clearly defined set of company regulations. Important decisions are only made after being carefully scrutinized by the Executive Board, which is comprised of executive directors with a wide range of expertise, and after full discussion by the Board of Directors. Handling matters important to the whole Group, the Board of Directors makes accurate and speedy business decisions and works to improve oversight of the operations of the entire Group.

At the ordinary general meeting of shareholders on June 28, 2007, one additional outside director was appointed to further increase the soundness and transparency of our management. Osaka Gas has also introduced an operating officer system by which each operating officer is engaged in business execution determined by the Board of Directors.

Osaka Gas uses a corporate auditor system. Four corporate auditors, of whom two are outside auditors, monitor the appropriateness of business execution. In addition, the Corporate Auditors' Office not under the direct control of the directors has been established to support the auditors and thus to improve the audit system.

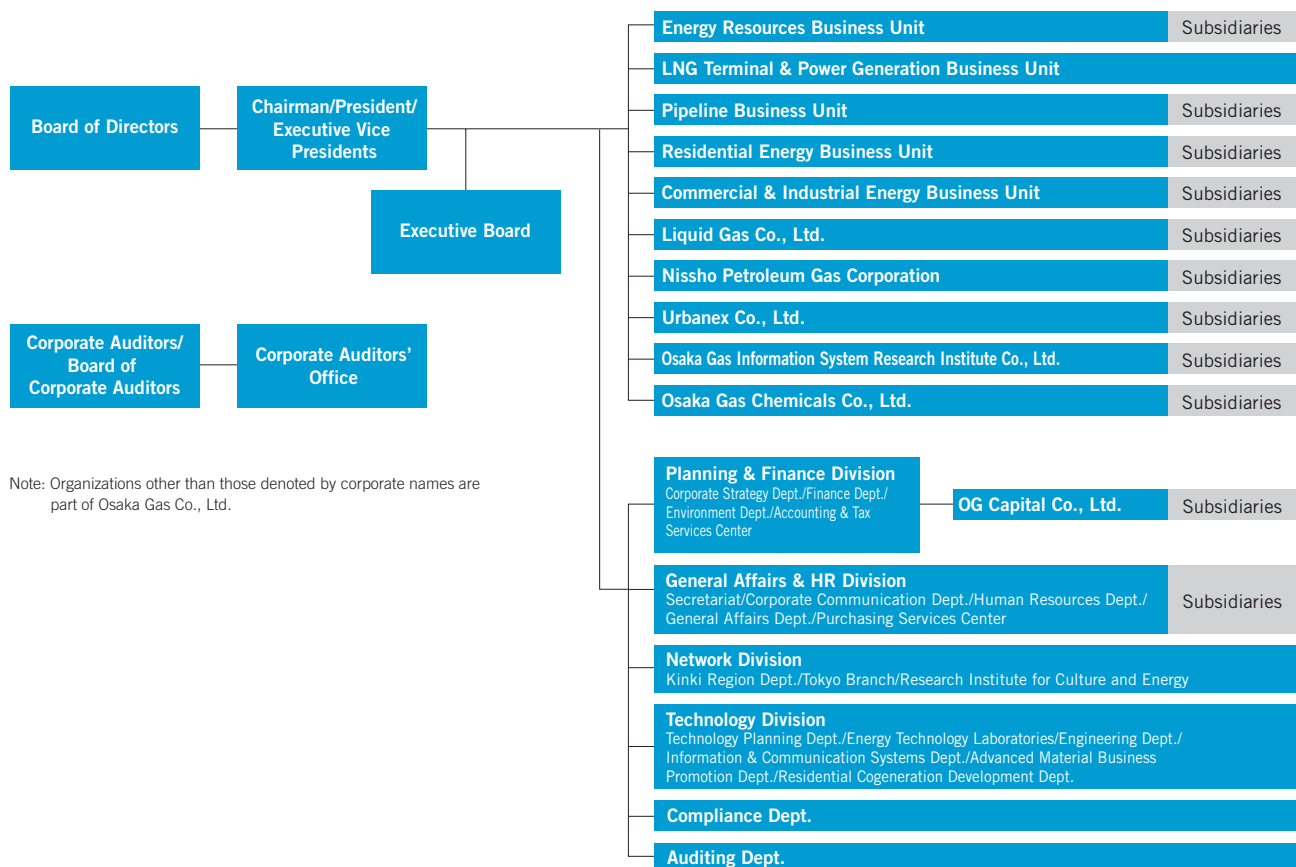
The outside director and two outside auditors appointed at the general meeting of shareholders do not have any special personal, capital, or business relationship with Osaka Gas, nor do they have any other interest in the Company, thus preserving their impartiality.

## Internal Control Systems

Osaka Gas has established the Auditing Department which functions as an internal auditing division and, based on a yearly auditing plan, monitors the appropriateness and efficiency of business activities, and provides each section of our organization with advice and recommendations.

Osaka Gas assigns auditors to the business units within the company, thereby improving and reinforcing its auditing and internal control functions. The auditors' job responsibilities are clearly defined in company regulations, which have enabled us to transfer authority to the departments themselves.

## Organization



Note: Organizations other than those denoted by corporate names are part of Osaka Gas Co., Ltd.