

Summary of Business Segments

The Osaka Gas Group divides its operations into five business segments: 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.

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Gas

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	05.3	06.3	07.3
Operating revenues	564,678	608,142	669,733
Operating income	62,455	61,811	63,604
Total assets at end of year	688,639	686,433	663,540
ROA	9.4%	9.1%	9.4%
Operating income margin	11.1%	10.2%	9.5%

2



LPG, Electricity and Other Energies

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	05.3	06.3	07.3
Operating revenues	155,987	186,342	232,092
Operating income	14,138	18,519	13,464
Total assets at end of year	180,394	299,986	316,702
ROA	8.0%	7.7%	4.4%
Operating income margin	9.1%	9.9%	5.8%

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Gas Appliances and House-pipe Installation

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	05.3	06.3	07.3
Operating revenues	149,981	155,339	160,510
Operating income	2,756	5,212	1,436
Total assets at end of year	58,268	59,032	62,632
ROA	1.4%	8.3%	2.4%
Operating income margin	1.8%	3.4%	0.9%

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Real Estate

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	05.3	06.3	07.3
Operating revenues	12,382	12,908	13,113
Operating income	7,103	6,626	7,272
Total assets at end of year	102,550	111,481	114,772
ROA	7.3%	6.0%	6.4%
Operating income margin	57.4%	51.3%	55.5%

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Others

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. Osaka Gas Security Service Co., Ltd. provides security and disaster prevention services. OG Sports Co., Ltd. is involved in the operation and management of sports facilities. Other subsidiaries are included in this segment which are engaged in engineering, leasing and other businesses.

Millions of yen	05.3	06.3	07.3
Operating revenues	92,310	103,227	99,006
Operating income	8,050	7,752	7,296
Total assets at end of year	123,051	139,929	149,301
ROA	7.0%	5.8%	5.0%
Operating income margin	8.7%	7.5%	7.4%

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.