

3 Gas Appliances and House-pipe Installation Segment

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. 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.

Within our lineup of home gas appliances, we exert special efforts to expand the sales of our residential gas cogeneration system ECOWILL, which generates both electricity and heat required for households efficiently, our economical, environmentally-friendly, energy-saving hot water heater Eco-Jozu, MIST KAWACK, a bathroom heater-drier with an added mist sauna function, and NOOK, a gas hot water floor heating system. With industrial gas equipment, we are striving to increase sales of the gas heat pump air conditioners, as well as gas cogeneration systems.

In house-pipe installation, we install natural gas pipes in a customer's house at an affordable price to expand our customer base and increase the number of gas fixtures used in homes.

Because gas appliances are becoming required to satisfy even higher standards of safety, we will encourage customers who are using gas appliances that are not equipped with a safety device to prevent incomplete combustion, to trade them in for gas appliances that are equipped with these devices. Moreover, by March 2008 we plan to equip all the burners on all models of our built-in gas stoves with safety sensors, and are pushing ahead with the development and popularization of safer gas appliances. Through these actions, we will gain the even firmer trust of our customers regarding the safety of gas.

4 Real Estate Segment

The Urbanex Group which is engaged in the real estate business comprises five companies, including Urbanex Co., Ltd. Urbanex Co., Ltd. and Kyoto Research Park Corp. develop and manage office buildings and homes to effectively utilize the real estate holdings primarily of the Osaka Gas Group, and are involved in condominium operations. OSC Engineering Co., Ltd., Osaka Gas Total Facilities Co. and Osaka Kanzai Co., Ltd. provide facility management and maintenance services for office buildings and other facilities.

In the fiscal year ended March 2007, the Urbanex Group posted increased sales, reflecting an increased number of leasing properties, mainly due to the construction of the No.8 KRP Building completed in September 2006 and the acquisition of some new leasing properties, and improved tenancy rates.

Our focus in the real estate segment is on expanding the leasing and sale of real estate and facility management operations. We are also strengthening our liaison with

Osaka Gas's energy business to take maximum advantage of synergies.



The newly completed No.8 Building of the Kyoto Research Park, a new industry creation base in Kyoto.