

## Intellectual Property Activities of the Osaka Gas Group

### Our Intellectual Property Strategies

From the viewpoint of technology management, the Osaka Gas Group has been actively committed to acquiring intellectual property rights for technologies resulting from research and development programs.

We currently implement our strategic intellectual property activities based on the following three basic policies:

#### ● Building a Strong Patent Network Through Patent Portfolio Management (PPM)

We build a strong patent network of basic and fringe patents for each major product or business, developing a portfolio to secure competitive advantages in our business.

#### ● Expanding Revenue by Optimum Use of Intellectual Property Rights

In addition to utilizing powerful patents to differentiate our products and businesses in their markets, we endeavor to expand revenue through optimum use of our intellectual assets and actively seek to license them externally.

#### ● Reinforcement of Risk Management for Intellectual Property Activities

We carry out sophisticated risk management to protect our own intellectual property and deal strategically with the intellectual rights of other companies.

### Intellectual Property Right Applications

In the fiscal year ended March 31, 2008, the Osaka Gas Group made a total of 390 patent applications. In recent years, we have advanced our strategy of selective and concentrated investment of resources, focusing on making patent applications and securing rights that we consider critical to our business strategies.

#### Annual Number of Patent Applications Made by the Osaka Gas Group

								(Applications)
FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
1,137	1,009	912	771	638	512	471	407	390

For major products, we use our PPM system to specify the scope of patents that need to be obtained and build a strong patent network by undertaking multiple patent applications centering on the product. For example, for our residential cogeneration systems, we have developed a strong patent network around our fuel reforming equipment, and self-learning control systems, our key competitive advantages.

As well as applying for patents, in the fiscal year under review we applied for 48 design patents and 45 trademark patents to strengthen and protect our company and product brand names.

### Patent Ownership

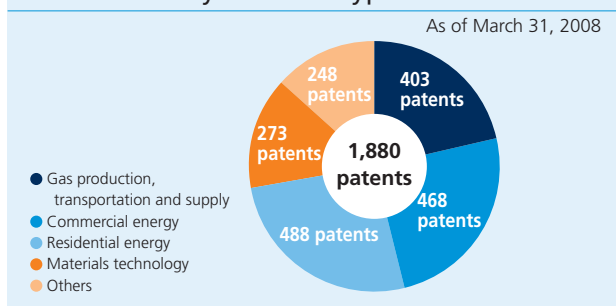
The Osaka Gas Group holds a total of 1,880 patent rights.

We own patents for the non-excavation construction method and other technologies that contribute to cost reductions and safety in our gas production, transportation and supply business. In the commercial energy market, we own patents for cogeneration and gas heat pump technologies that secure our position.

We also own patents for residential cogeneration systems and bathroom heater-drier equipment, which are rapidly gaining popularity in the residential energy business. In the non-energy field, we own patents for new materials technologies, such as fluorene.

We aim to make optimum use of the intellectual property rights we hold, including patents, whether by applying them to the business activities of the Osaka Group or by licensing them to other companies. We also work to improve incentives for employees to invent, and have internal rules for awarding bonuses based on patent law.

#### The Osaka Gas Group's Patent Portfolio Breakdown by Business Type



### Intellectual Property Risk Management

Against the backdrop of increasing intellectual property risk throughout the world, the Osaka Gas Group is strengthening its intellectual property risk management in response to the risk of infringement of rights.

To prevent any infringement of other companies' rights and to respond to any infringement of our own rights, we have established a patent review infrastructure and maintain various frameworks, including a system for reviewing the patents of other companies to prevent our inadvertent infringement of other companies' rights.

Moreover, to raise the level of awareness regarding intellectual property of all employees in the Osaka Gas Group, we provide intellectual property by internal and external speakers and conduct various other educational activities and training sessions, including e-learning.