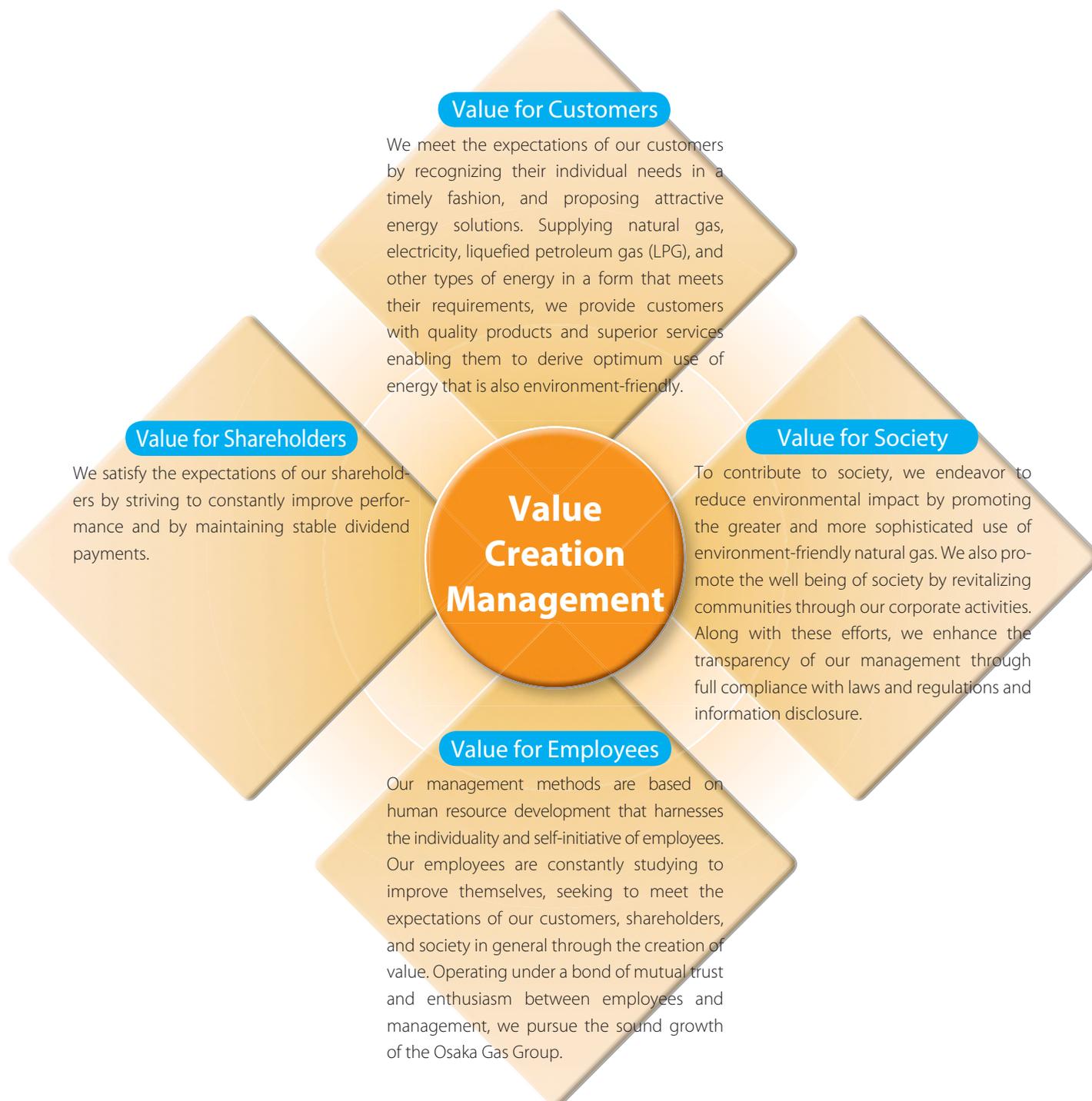


Osaka Gas Group's Management and CSR

“Value Creation Management” is the core philosophy of the Osaka Gas Group. We will increase value for all stakeholders, including shareholders, society and employees, by ensuring fairness and transparency in our business operations, with a priority on maximizing value for our customers. The Company believes that effective Value Creation Management will enable it to fulfill its CSR obligations.



The Osaka Gas Group CSR Charter — Formulation and Approach

The Osaka Gas Group CSR Charter was enacted in April 2006, clarifying the Group's CSR principles and policies. In July of that year, the Group established a CSR Promotion Council and CSR Committee to develop systems for promoting CSR. It also appointed directors (CSR Executive) to oversee CSR activities and ensure that they are positive and appropriate.

In order to fulfill its social responsibilities, the Company participated in the United Nations Global Compact as the first Japanese public utility in June 2007. In 2009, the activities report that we submitted to the United Nations was singled out for its commitment to the "Notable COP" program and, in 2010, we were selected as "Leaders" by investors who support the UN Principles

of Responsible Investment.

In 2009, the "CSR Index," which also reflects the views of external stakeholders, was established and officially announced as a yardstick for actualizing CSR charter outcomes. This index simultaneously serves as a gauge for assessing the level that each charter is working towards and as a standard for measuring outcomes, so that companies can further enhance their corporate value. We are also enhancing the efficacy of such initiatives by holding regular CSR Committee meetings where CSR coordination and promotion measures are deliberated on a cross-departmental basis. Information about these activities is presented in the Group's annual CSR Report.

The Osaka Gas Group CSR Charter

The Osaka Gas Group, with its highest managerial priority placed on maximizing value for its customers, seeks to create value for all its stakeholders including shareholders, society and employees through fair and transparent business practices. We believe that the pursuit of Value Creation Management results in fulfilling the corporate social responsibilities of the Group.

In order for the Osaka Gas Group to fulfill its corporate social responsibilities and to achieve sustainable development, we hereby set forth the Charter as the guiding principle for the management and the employees of the Group to observe in their conduct of business. The management of the Osaka Gas Group, its subsidiaries and affiliates, and managers of respective

divisions, are determined to implement the spirit of the charter in their business initiatives. Should any infringement of the charter occur, the management will act immediately to identify and resolve problems, and to take strict corrective actions.

- I. Creating value for customers
- II. Contributing to harmonizing with the environment and to realizing a sustainable society
- III. Being a good corporate citizen contributing to society
- IV. Complying with laws and regulations and respecting human rights
- V. Management policy of human growth

Compliance

In order to be a socially responsible corporation, we must, above all, ensure rigorous compliance. Recognizing this fact, the Company compiled the Code of Conduct of the Osaka Gas Group in 2000. The purpose of the Code is to provide training and education to all Group employees — directors and regular staff at the Company as well as those at affiliates — to ensure they have a thorough awareness and understanding of the need to observe laws and regulations. As a framework for promoting compliance, we have established a CSR Committee and compliance subcommittee, and

the Compliance Department and a Compliance Desk to oversee the internal reporting system. Based on this framework, the Group is focusing on three priority initiatives: "Gaining Awareness of Legislation and Company Rules and Regulations," "Creating a Culture of Compliance and Mechanisms to Avoid Violations" and "Strengthening and expanding Auditing and Monitoring throughout the Group." The goal of these initiatives is to further entrench and institutionalize compliance throughout the Group.

The Osaka Gas Group Code of Conduct

I. Code of conduct as a good corporate citizen

- 1. Respect for human rights
- 2. Consideration for the environment

II. Code of conduct in gas production, supply and other services

- 3. Duty as a provider of energy and other services
- 4. Assurance of product safety

III. Code of conduct in business transactions

- 5. Comply with the antimonopoly law
- 6. Conduct fair transactions
- 7. Response to customers
- 8. Socialization with business associates

IV. Code of conduct in information management

- 9. Information handling and disclosure
- 10. Use of information systems
- 11. Management of intellectual property

V. Code of conduct in the workplace

- 12. Establishment of a comfortable and secure working environment
- 13. Employment and treatment of employees

VI. Code of conduct in working with society

- 14. Prohibiting dealings and sharing of profits with antisocial forces
- 15. Payment of taxes

Environmental Initiatives of Osaka Gas Group

The Group is working hard to reduce the environmental impact of its business activities through efforts that include promoting efficient energy use and encouraging the use of recyclable resources at gas production facilities and office buildings. The seven separately certified environmental management systems for the Company's business segments since 1997 have been integrated, and in December 2007, Osaka Gas obtained Company-wide ISO14001 certification. Thus, the entire Company is now following one unified environmental management system. Furthermore, all of the Group's 85 domestic affiliates have now adopted and are operating this system (as of June 30, 2010).

The Company is also working hard to reduce the environmental impact of its customers by providing goods and services that produce less CO₂ emissions. In our gas business, we are promoting the widespread use of environment-friendly natural gas, which is in line with national energy policies, and the adoption of high-efficiency equipment and systems such as cogeneration systems and gas-powered air conditioning systems. We also offer

a diverse range of services, including a financing scheme for reducing the cost burden on customers that adopt energy-saving equipment.

The Group is also actively involved in a range of environmental conservation activities, including creating green spaces within our manufacturing facilities in which we cultivate rare plant species, and afforestation in Japan and abroad. In April 2010, the Group publicly announced the "Osaka Gas Group Policy on Biodiversity." Based on this policy, we are cooperating with local government entities and research centers in a variety of projects, including a project for "greening" our property in the Kansai region based on the theme of plants featured in ancient literary texts.

Our publicized environmental activities and performance data have been highly commended; in November 2009, the Company was named to the "Climate Disclosure Leadership Index" of the Carbon Disclosure Project (Out of the 500 Japanese companies surveyed, 31 were selected).

Activities that Contribute to the Local and International Community

As well as forging strong links with the local community through our business, the Company has formed strong ties with the international community, chiefly in South-East Asia and Oceania, by acting as a trading partner for natural gas, our key energy product.

In terms of domestic activities, the Group has been running its Small Light Campaign — a low-key but ongoing corporate volunteer initiative — since 1981. We encourage our employees to participate in community conservation activities on a long-term basis, in a spirit of dedication to the community and a determination to resolve issues faced by local communities through individual actions. We also conduct various activities that are focused on children — the leaders of the next generation. For example, we hold "Energy and Environmental Education" seminars, where Group employees and former employees serve as visiting lecturers, provide dietary education through initiatives such as the "Parent-Child Cooking Competition," and sponsor a sports club chaired by Olympic Bronze Medalist Nobuharu Asahara. We have integrated the concept behind these activities under the name

"Energetic Kids" and have been actively disseminating information and joining forces with other businesses to promote the concept.

The Osaka Gas Group Welfare Foundation seeks to contribute to the realization of a society whose members enjoy long and active lives. For this reason, it provides grants for welfare initiatives, research and studies that focus on the elderly. It is also engaged in projects for maintaining and improving the health of senior citizens. During fiscal 2010, 14,800 senior citizens participated in the project.

We also carry out Group activities that contribute to the international community. Through the Osaka Gas Foundation of International Cultural Exchange, established in 1992, the Group is conducting an educational grant initiative aimed at promoting mutual understanding between Japan and countries of South-East Asia and Oceania, which are natural gas-producing nations. In the 18 years since the inception of this project, the Group has provided grants totaling ¥319 million for educational materials, experimental research, scholarships and for other areas.

Inclusion in Various Social Responsibility Investment (SRI) Indices

In recognition of its diverse CSR activities, the Company has been accepted into the following Social Responsibility Investment (SRI) indices (as of March 31, 2010).

- Dow Jones Sustainability Asia Pacific Index
- FTSE4Good Index Series
- ECPI Ethical Index Global (E. Capital Partners Indices)
- Ethibel Sustainability Index
- KLD Global Climate 100 INDEX (KLD Research & Analytics)
- Morningstar Socially Responsible Investment Index (MS-SRI)