

The Year in Review

Domestic Energy Businesses

May 2010 Launched "SOLAMO"—A Gas Water Heating System that Uses Solar Heat

Osaka Gas launched sales of "SOLAMO*", a gas water heating system that also makes use of solar heat, developed jointly with Takagi Industrial Co., Ltd. and Asahi Kasei Homes Corporation. Heat collecting panels installed on the roofs of detached houses collect solar heat to heat water for various uses and to provide space heating, a first for a gas water heating system. "SOLAMO" helps reduce CO₂ emissions through active utilization of renewable energy, lowering the impact on the environment and helping bring about a low-carbon society.

* "SOLAMO" is a registered trademark of Tokyo Gas Co., Ltd.



Domestic Energy Businesses

May & June 2010 Memorandums on Long-Term LNG Sale/ Purchase Signed with Okinawa Electric and Shizuoka Gas

Osaka Gas signed memorandums on key terms and conditions related to the long-term sale of liquefied natural gas (LNG) with Okinawa Electric Power Company, Inc. in May 2010 and Shizuoka Gas Co., Ltd. in June of the same year. Under this agreement, part of the LNG purchased by Osaka Gas will be transported by LNG tankers arranged by the Company and supplied to the two utilities.

Refer to page 33 for relevant information.

2010



International Energy Businesses Along the Energy Value Chain

May 2010 Osaka Gas Participates in LNG Terminal Project in Sagunto, Spain

Osaka Gas entered an agreement with Endesa S.A., a major Spanish power company, for its acquisition of Endesa's 20% interest in an LNG terminal project in Sagunto, Spain. The country, the third-largest importer of LNG in the world and the largest in Europe, currently has LNG terminals operating at six locations. The government regulation in the country guarantees LNG terminal businesses a set amount of business proceeds. Thus, stable revenues can be expected over the long term.



Refer to page 36 for relevant information.

Domestic Energy Businesses

July 2010 LNG Purchase Agreement with Shell Eastern Trading

Osaka Gas signed a long-term purchase agreement for liquefied natural gas (LNG) with Shell Eastern Trading (Pte) Ltd. in Singapore, a wholly-owned subsidiary of the Shell Group. The agreement signifies a portfolio supply of LNG from multiple, unspecified supply sources owned by Shell. This represents the first time the Company has entered into this type of agreement, which has the advantages of raising procurement stability and reducing risk.

Refer to page 37 for relevant information.

Environment and Non-Energy Businesses

October 2010 Grand Opening of Building No. 9 at Kyoto Research Park



The Kyoto Municipal Industrial Research Institute and Kyoto Research Park (KRP) Building No. 9, a duplex building seven floors above ground and two floors underground, with commercial facilities and offices for rent, opened for business.

Environment and Non-Energy Businesses

October 2010
Osaka Gas Launches a Map Maintenance BPO* Service in China

Osaka Gas Information System Research Institute Co., Ltd., a consolidated subsidiary of Osaka Gas, and its affiliate Shanghai Ogis TongHua Software Co., Ltd. launched a map maintenance BPO* service in China that involves operating and managing map information systems on a contract basis primarily for underground gas and water pipelines. The service will be proposed as a business solution for electric, gas and water utility companies in Japan, as well as throughout Asia.

*BPO (Business Process Outsourcing) involves companies contracting out a portion of their business processes to outside vendors to reduce costs, improve process quality and allow them to focus management resources on their core businesses.

International Energy Businesses Along the Energy Value Chain

March 2011
Osaka Gas Participates in Shuweihat S2 Independent Water and Power Project

Osaka Gas decided to participate in the Shuweihat S2 Independent Water and Power Project that is under construction in Abu Dhabi in the United Arab Emirates. The project is expected to play an important role as a source of power and water for Abu Dhabi as it will account for roughly 15% of its power supply and more than 10% of its water supply. The project marks the first time Osaka Gas has participated in a combined power and water project. Commercial operation is scheduled to commence in the fall of 2011, and stable, long-term revenues are expected due to 25-year power and water sales agreements.

Refer to page 36 for relevant information.

Domestic Energy Businesses

February 2011
Natural Gas Customers Surpass 7 Million Households

The number of customers Osaka Gas services with natural gas on a non-consolidated basis surpassed 7 million households after 106 years in business since 1905.

2011

Oct.

Nov.

Dec.

Jan.

Feb.

Mar.

Domestic Energy Businesses

October 2010
Biogas Feed to Gas Pipelines in Kobe Begin

Partnering with the City of Kobe and Kobelco Eco-Solutions Co., Ltd., Osaka Gas completed a facility for utilizing biogas* at the Higashinada Sewage Treatment Plant in Kobe and began feeding Kobe Biogas, the biogas produced by the facility, into gas pipelines. The project represents the first attempt in Japan to feed pipelines with biogas derived from sewage sludge and refined to normal gas specifications. By demonstrating operating methods and economic viability, the project is expected to provide the impetus for similar projects and lead to greater utilization of biomass resources.

*Biogas is a flammable gas composed primarily of methane that is produced from the fermentation of organic matter like sewage sludge and food scraps.

Domestic Energy Businesses

February 2011
Pilot Project Launched for "Smart Energy House"

Osaka Gas launched a residence pilot project running for a period of three years, in partnership with Sekisui House, Ltd., aimed at realizing a "Smart Energy House" that can provide its residents with a comfortable life and also save energy by efficiently managing the electricity and heat of the house. This residence pilot project aims to fully offset the amount of carbon dioxide the house emits, including that for recharging the residents' electric vehicle, with the carbon dioxide the house is designed to reduce through solar power generation.



Refer to pages 22-23, 40 for relevant information.

Domestic Energy Businesses

December 2010
Sales of ENE-FARM Residential Fuel Cell Systems Surpass 3,000 Units

Cumulative sales of ENE-FARM, a fuel cell cogeneration system for households first launched in June 2009, which generates electricity from hydrogen created by reforming natural gas, surpassed 3,000 units in December 2010 and reached 3,700 units at the end of March 2011.



Refer to pages 21 and 29 for relevant information.