

To Our Stakeholders

With a Strong Focus on Growth of the Group, We Strive to Fulfill Our Responsibility as an Energy Provider

In presenting the annual report of the Osaka Gas Group, I wish to convey my greetings to all of our shareholders and other stakeholders.



Let me first pause and extend my thoughts to all those affected by the Great East Japan Earthquake of March 2011. I would also like to express our sympathies to everyone affected by the disaster, and our best wishes for an early recovery in the region.

The Osaka Gas Group has carried forward activities for its continued success in business in accordance with “Field of Dreams 2020,” our long-term management vision and medium-term business plans. We have earned the support of all stakeholders, including our shareholders, customers and society at large in the process of its implementation. Our plans call for robust development as a global energy and environmental group focused on three specific business fields; domestic energy services, international energy businesses along the energy value chain, and environment and non-energy businesses.

In the fiscal year ended March 2011, our initiatives for the future saw steady progress in the growth of our electricity business with solid earnings centered around the Semboku Natural Gas Power Plant, in the steady growth in sales volume of our ENE-FARM fuel cell cogeneration system for households, and in the launch of a project in which our natural gas pipeline network received biogas from a sewage plant in Kobe. Progress overseas in those initiatives included participation in the Sagunto LNG terminal in Spain and the Shuweihat S2 Independent Water and Power Project in the United Arab Emirates.

The unprecedented damage caused by the earthquake and tsunami in March has unsettled Japan’s policies going forward and made us aware once again of the importance of energy security. In this regard, the position of natural gas as an energy source is growing stronger because of its outstanding supply stability and exceptional environmental performance.

The Osaka Gas Group intends to fulfill its missions as an energy provider by further improving its disaster preparedness and expanding its supply network, by ensuring the stable supply of LNG through long-term contracts and diversified sources. Moreover, we will propose dispersed power sources such as gas cogeneration systems and gas air conditioning in order to achieve an optimum mix of distributed and grid power supply while reducing environmental impacts. Through these means, we shall strive to realize widespread and advanced uses of natural gas.

Furthermore, we will continue to build a foundation for future growth by accelerating existing initiatives, as well as by making investments for growth and expanding new businesses.

The political and economic situation we face both at home and abroad has become increasingly uncertain, due not only to the devastation caused in eastern Japan by the earthquake but also to geopolitical unrest in the Middle East and North Africa, among others. Nevertheless, we intend to continually grow and develop in our chosen domains in Japan and overseas, and work to maximize value of the Osaka Gas Group for shareholders and all other stakeholders, while responding to these issues in an appropriate and flexible manner.

I thank you for your continued support and encouragement.



President Hiroshi Ozaki