

Life & Business Solutions (Non-Energy Business)

- Material Solutions Business
- Real Estate Business
- Information Solutions Business
- Life Services Business / New Business

Expanding business by leveraging technologies and know-how accumulated in gas business



*Gas was produced from coal before natural gas was introduced.

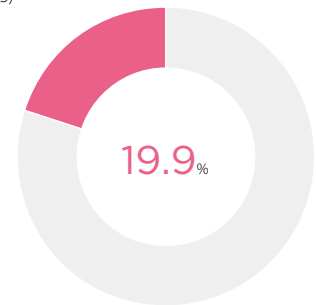
The Osaka Gas Group actively applies the technologies and know-how it has accumulated over more than 100 years in the gas business to other businesses, including the material solutions business, real estate business, and information solutions business.

The Osaka Gas Group efficiently manages its operations through the selection and concentration of business activities, while constantly paying close attention to the status of business.

In the fiscal year ended March 31, 2014, net sales totaled ¥199.6 billion. Segment income was ¥20.8 billion, making up around 20% of the total income of the Osaka Gas Group.

Life & business solutions (non-energy business) plays a major role underpinning the earnings foundation of the Osaka Gas Group, as a stable source of earnings despite rapidly changing conditions in society that affect the energy business, such as persistently high raw materials prices and greater awareness of energy conservation.

Segment Income*1 (2014.3)

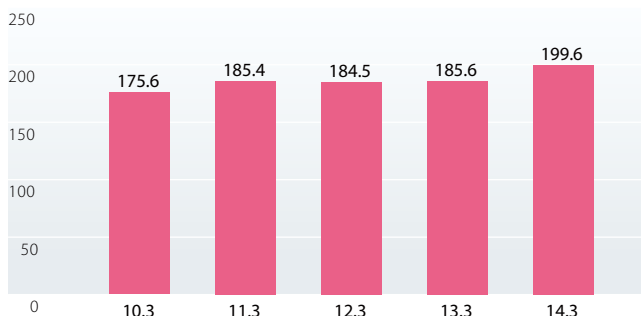


● Environment and Non-Energy*2

*1 Segment Income = Operating income + Equity in earnings of affiliates

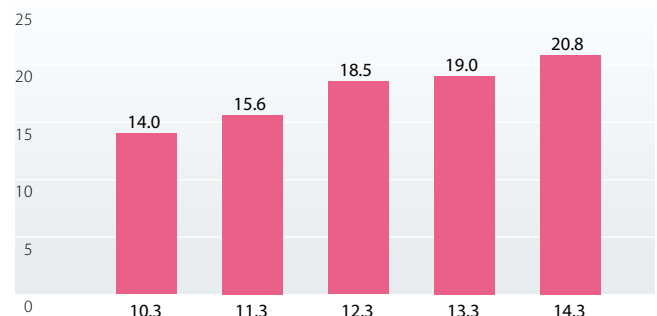
*2 Following a review of segment details, the name of the segment has been changed to the life & business solutions (non-energy business) segment effective from the fiscal year ending March 31, 2015.

Net Sales (Environment and Non-Energy*) (Billions of yen)



* Following a review of segment details, the name of the segment has been changed to the life & business solutions (non-energy business) segment effective from the fiscal year ending March 31, 2015.

Segment Income*1 (Environment and Non-Energy*2) (Billions of yen)



*1 Segment Income = Operating income + Equity in earnings of affiliates

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Life & Business Solutions (Non-Energy Business)

Material Solutions Business (Osaka Gas Chemicals Group)

Business Overview and Characteristics

This business offers a wide range of products and develops high-value-added materials in the fields of carbon and chemistry, with core technologies comprising coal chemistry technologies accumulated from the production of coal gas at Osaka Gas and upstream technologies in pharmaceuticals at Japan EnviroChemicals, Ltd.

In the fine materials field, the Osaka Gas Group produces fluorene derivatives with excellent optical properties and outstanding heat resistance, and boasts the highest share of the world market for fluorene derivatives. These derivatives are used as materials in fabricating film materials for LCDs and resins for optical lenses used in mobile phones and other devices.

In the activated carbon field, we produce and market activated carbon for various applications, and residential products that use activated carbon such as water purifier cartridges and air purifying filters.

By reinforcing R&D and M&A activities, this business will look to boost the Osaka Gas Chemicals Group's net sales to ¥100 billion by the fiscal year ending March 31, 2021.

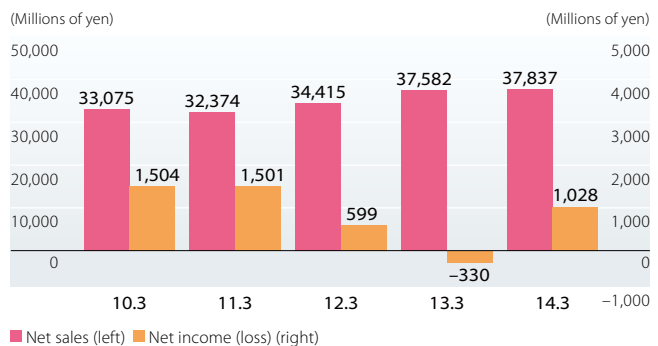
Initiatives in the Fiscal Year under Review

In the fiscal year ended March 31, 2014, performance for the entire Osaka Gas Chemicals Group was better than the previous fiscal year, reflecting the launch of marketing activities at a Chinese subsidiary established in 2013, and growth in sales in the carbon fiber materials field in the wake of the recovery in market conditions, although the fine materials field struggled somewhat compared with the previous fiscal year.

In January 2014, Osaka Gas Chemicals Co., Ltd. acquired Jacobi Carbons AB, an activated carbon manufacturer / distributor headquartered in Sweden, in a bid to strengthen its presence in the field of activated carbon.

The Osaka Gas Chemicals Group believes these initiatives will bolster Group competitiveness and open up sales channels to global markets with considerable growth potential in their activated carbon markets, raising the number of its global sales channels to more than 100 countries.

Osaka Gas Chemicals Group Net Sales / Net Income (Loss)



- Develop new products and improve work quality by transplanting production technologies
- Increase efficiency through mutual use of logistics and sales structures

Outline of Jacobi Carbons AB

Location:	Sweden
Main bases:	U.S., U.K., France, Germany, Switzerland, Sri Lanka, India and China, etc.
Established:	1916
Business:	Producing activated carbon at plants in Sri Lanka, India, China and Vietnam, and marketing products to 111 countries, mainly in North America and Europe
Performance:	Net sales of ¥19.5 billion in the fiscal year ended December 31, 2013
Employees:	Approx. 1,200 (including affiliates)

Outline of Japan EnviroChemicals, Ltd.

Location:	Japan
Paid-in capital:	¥2.1 billion
Established:	2003
Business:	Research, development, production, supply and sales of activated carbon, wood preservatives, termite control materials (repellent), industrial preservatives, wastewater treatment carriers.
Performance:	Net sales of ¥15.5 billion in the fiscal year ended March 31, 2014
Employees:	Approx. 150

Life & Business Solutions (Non-Energy Business)

Real Estate Business (Osaka Gas Urban Development Group)

Business Overview and Characteristics

In addition to making good use of existing real estate held by the Osaka Gas Group, this business engages in a broad range of real estate operations, including leasing, sales, and development of newly acquired real estate, as well as building maintenance. Through these activities, we aim to provide environmentally friendly and comfortable residential and business spaces.

Initiatives in the Fiscal Year under Review

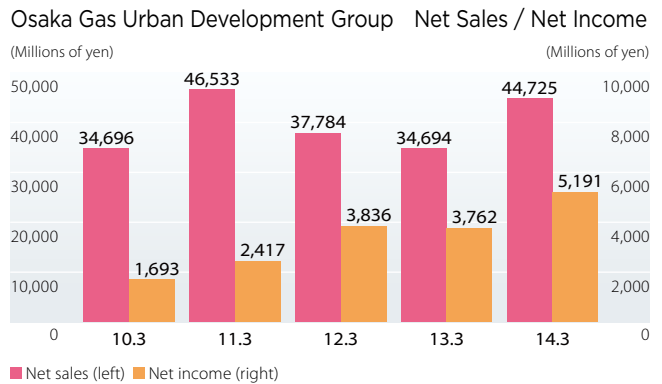
Buoyed by a brisk market for for-sale condominiums, Osaka Gas Urban Development Co., Ltd. sold a total of 370 condominium units at 10 properties for which the company partly served as the project lead manager. With net sales surpassing ¥10.0 billion, the building maintenance business contributed considerably to higher earnings for the Group.

We will pursue synergies with our gas business by supplying properties in which customers can enjoy the comfortable and convenient lifestyles through the use of gas, such as by installing gas appliances like mist saunas, glass-top gas stoves, and floor heating systems.



Urbanex Akihabara East

The Urbanex Namba



Information Solutions Business (OGIS-RI Group)

Business Overview and Characteristics

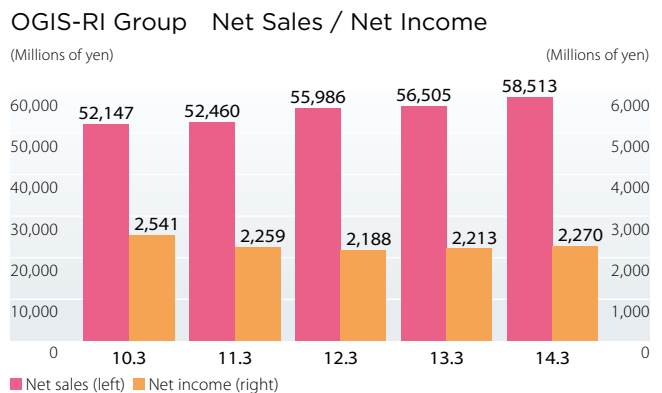
OGIS-RI Co., Ltd. traces its roots back to developing and managing systems for the gas business of Osaka Gas. Today, this business develops cutting-edge systems, provides cloud-based services and operates highly secure data centers, by leveraging the innovative technologies and customer base of the OGIS-RI Group.

Initiatives in the Fiscal Year under Review

The OGIS-RI Group focused on the data center business, demand for which has been growing as customers seek stronger information security and lower costs. OGIS-RI Co., Ltd. opened new data centers with excellent seismic resistance in Osaka (April 2013) and Tokyo (July 2013). We aim to reinforce the foundations of the data center business while addressing customer needs for monitoring, maintenance and security in data centers through the unification of our two data centers in Osaka and Tokyo.



ICC Building



Life & Business Solutions (Non-Energy Business)

Life Services Business / New Businesses

Business Overview and Characteristics

Aiming to enhance the brand value of the Osaka Gas Group and promote businesses that contribute to efficient and effective Group management, this business segment is involved in a broad range of B to B and B to C fields, including the operation of fitness clubs and other sports facilities, automobile leasing, temporary staffing, and nursing care services. Looking ahead, the Osaka Gas Group will reinforce its ability to respond to customer needs.

By aggressively investing in growth businesses while withdrawing from unprofitable ones and ending operations with weak synergies with the gas business, we venture into new business domains.



Fitness center COSPA



ACTIVELIFE (In-home nursing care services)

Initiatives in the Fiscal Year under Review

Participation in a Water Supply Business in the United Kingdom

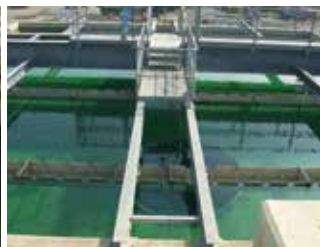
In October 2013, Osaka Gas received a portion of the shares of Sumitomo Corporation and took up an equity interest in Sutton and East Surrey Water plc (SESW), a water supply company in the United Kingdom. This marks the first time a Japanese gas company has entered the overseas water supply business.

We think the water supply business has a business model that is very similar to that of the gas business, in terms of infrastructure using underground pipes, being a utility business, and being regulated. Since business development is viable over the long term, we expect the water supply business to be a stable source of earnings.

We aim to enhance the corporate value of SESW further by strengthening its business foundation and combining Osaka Gas' know-how accumulated in the gas business, such as customer service, operation and maintenance, with Sumitomo Corporation's extensive experience in water supply and wastewater treatment in the United States, the Middle East, China and Asia.



Water softening process



Screening process



Outline of Sutton and East Surrey Water plc

Location:	Surrey, United Kingdom
Supply area:	835km ² in southeastern London (population: Approx. 670 thousand)
Supply volume:	158 thousand m ³ / day
Locations supplied:	Approx. 280 thousand (residential: about 260 thousand; business / industrial: about 17 thousand)
Established:	1862 (Privatized in 1989)
Business:	Water supply
Performance:	Net sales of ¥8.8 billion in the fiscal year ended March 31, 2013
Employees	230