Field of Dreams 2020

Long-term Vision
and
Medium-term Business Plans

March 2009
Osaka Gas Co., Ltd.

[Notes] “FY XX” means fiscal year starting at April, 20XX. (Ex.) FY08= Starting at April, 2008, ending at March, 2009
1. Field of Dreams: where it stands

Corporate Creed: Service First

Management Objectives: creating value for all stakeholders

Customers | Shareholders | Society | Employees

Osaka Gas Brand

Exploring new business frontiers for customers and for changing times to contribute to people’s comfortable lifestyles and prosperity of businesses

Long-term Vision and Medium-Term Plans based on Value Creation Management

Field of Dreams 2020

Determination

Osaka Gas in 2020

Action Plans

Our intent for achieving sustainable growth

Shape of Osaka Gas to come in 2020

Medium-term plans to 2013 to achieve long-term vision
2. Long-term social and economic trends

- Greater commitment to global environmental protection
- Advances in environmental and energy saving technologies
- Environmental and security concerns heighten natural gas’ role
- Rising energy prices and increasing market volatility
- Demographic changes and lower economic growth in Japan
- Globalization of business activities and economies
- Intensifying competition in energy market
- Rising social responsibilities of corporate enterprises
Osaka Gas Group is determined

...to achieve sustainable growth both at home and overseas in order to provide its customers with comfortable lifestyles friendly to the environment and solutions in their businesses.

We will continuously strive to explore our potentials utilizing our versatile and rich business foundations, human resources, and technical expertise, nurtured through natural gas and energy business over the past century.

(1) Evolution into global energy and environment business group
◆ further strengthen its core multi-energy business in home market
◆ seek growth of energy business along energy value chain at home and abroad
◆ contribute to customers’ lives with comfort and business prosperity, and further, to reduce impacts on global environment through advanced energy solution and stable energy supply including renewables
◆ providing solutions in non-energy fields in and beyond our home market

(2) Implement management practices to become a corporate group of choice
◆ providing high quality products and services while ensuring safety and through fair and transparent business practice, increasing value for all its stakeholders; customers, shareholders, society, and employees
Global Energy and Environment Businesses Group with solid foundations making progress in the fields of:

- Domestic energy businesses
- International energy businesses along energy value chain
- Environment and non-energy businesses

2020

- ROA: approx. 4%
- ROE: approx. 9%

2006-2008 Av./pa

- ROA: 2.8%
- ROE: 6.2%

Ordinary profit: ¥72 billion

<Scale comparison in ratio>
What we intend do to achieve our vision in 2020: shape of Osaka Gas Group to come

1. Broadening business fields

2. Fortifying solid business foundations
1. Broadening business fields

(1) Enlarging breadth and depth of fields in existing and new businesses

- International Energy Businesses
  - Expansion by using know-how and skills
  - Gas/energy business in Kansai Region with greater scale and scope

- Domestic Energy Businesses
  - Greater breadth and depth of strong environment/non-energy businesses

- Environment and non-energy businesses
  - Real estate/property, IT, materials

Domestic gas/energy businesses

- Quality products/services/safety
- Greater depth
- Energy services
- Safety/Services
- LPG
- Renewables

Greater breadth
- Mid- and down-stream (pipelines, LDC, IPP, marketing, renewables)

Greater scale and scope
- Broadening
- Environment business
1. Broadening business fields

(2) ¥1.5 trillion investments for solidifying three business field

Total of ¥1.5 trillion investment 2009 – 2020
[¥700 billion 2009 – 2013]

Upgrading existing businesses: ¥700 billion [¥300 billion]

Investments for incubation and expansion: ¥800 billion [¥400 billion]

- Domestic energy businesses
  - ¥660 billion

- International energy businesses
  - ¥350 billion

- Environment/non-energy businesses
  - ¥270 billion

III. To realize our vision
2. Fortifying solid business foundations

III. To realize our vision

(3) Maximizing group potential by creating synergies and dispersing risks

- Domestic Energy Businesses
  - Natural hedging
  - Broadening business domains
  - Stable, flexible LNG procurement
  - Utilizing know-how/skills
  - Creating synergies
  - Optimum solutions
  - Utilizing brand and technical strengths
  - Dispersing risks

- International Energy Businesses
  - Versatile Business Activities

- Environment/non-energy businesses
III. To realize our vision

2. Fortifying solid business foundations

(2) Building solid business foundations resistant to external changes through optimizing business portfolio

Impact of oil price volatility on consolidated profit (excluding loss due to time lag)

Ensuring stable profits

- Gas business in home area
- Power, outside area, and int'l energy businesses
- Environment/non-energy

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥ depreciation</td>
<td>80%</td>
<td>60%</td>
</tr>
<tr>
<td>Reliance on revenue from home area</td>
<td>80%</td>
<td>60%</td>
</tr>
<tr>
<td>Reliance on revenue from NG business</td>
<td>70%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Growth of optimized portfolio enhances resilience against risks
Advanced energy systems and services contributing to customers’ higher level of comfort friendly to the environment

**Comfortable lifestyles with gas**

- Use of IT for reliable appliance servicing
- Services for improving safety levels

**Reducing environmental impacts**

- Providing energy-saving equipments
- Advanced energy systems and services
  - Energy-saving, lower CO2 emission, and lower energy costs by home energy management system
  - Home security systems for safer homes and care for the aged
  - Total health, property management, energy system and facility management for the elderly
  - Remote diagnostic services for homes by IT
  - Comfortable lifestyles in households by mist and mist steam

**Improving level of services**

- Group-wide energy-solution services
- Reduced CO2 emission in households by 3 million t-CO2 (2009-2020)

**Advanced energy systems and services contributing to customers’ higher level of comfort friendly to the environment**

- (gas volume in billion m3) 2008 2013 2020
  - Residential gas sales: 2.3 > 2.4 > 2.4
  - HS installations (‘000): 70 > 400 > 850
  - Home cogen. and Cond. Boilers (‘000): 200 > 500 > 1,000
Explore growth opportunities as energy services provider through enhanced value of its services; evolution of business model based on energy-saving technologies to utility management, energy bank, and safety services.

**Natural gas**

- Evolution of services based on customers’ equipment to total energy management for plants and buildings
- Energy-saving engineering, optimization solutions
- High eff. equipment
- Remote control by IT
- Pure water, waste water treat.
- Energy finance by energy bank
- Tailor-made security/safety services

**LNG terminal**

- Broad natural gas supply infrastructure in western Japan in alliance with other energy players

**Pipeline**

- Kansai region
  - Power
  - LPG
  - Industrial gases

**Domestic expansion**

- LNG terminal
- Domestic/int’l activities to met customer needs
- CO2 emission reduced by 10 million t-CO₂ through enhanced use of NG and conservation (2009-2020)

**Int’l expansion**

- Domestic/int’l activities to meet customer needs

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas sales volume (billion m³)</th>
<th>LNG sales (‘000 tons)</th>
<th>Revenue from energy services (¥billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>6.2</td>
<td>400</td>
<td>0</td>
</tr>
<tr>
<td>2013</td>
<td>6.6</td>
<td>900</td>
<td>4</td>
</tr>
<tr>
<td>2020</td>
<td>6.9</td>
<td>1,200</td>
<td>16</td>
</tr>
</tbody>
</table>

2008  2013  2020

Gas sales volume (billion m³)  6.2 > 6.6 > 6.9
LNG sales (‘000 tons)  400 > 900 > 1,200
Revenue from energy services  0 > 4 > 16 (¥billion)
IV. Business directions

1. Domestic energy businesses (3) stable natural gas supply

Purchasing price-competitive LNG and building LNG and natural gas supply infrastructure for stable supply of gas to customers

[LNG purchasing]
- Diversify sources
- Increased participation in projects with equity holding
- Flexible LNG purchasing through trading

[LNG receiving]
- Increased LNG handling capacity (storage tanks, tankers)
- Refurbishment for increased reliability

[Gas supply infrastructure]
- Network expansions (Mie-Shiga and Himeji-Okayama) for broader and reliably supply

<Projected LNG demand (10 thousand tons)>

CAPEX for LNG facilities
Total: ¥90 billion (¥30 billion in 5 yrs.)

CAPEX for pipelines
Total: ¥300 billion (¥150 in 5 yrs.)
IV. Business directions

1. Domestic energy businesses (4) ensuring higher level of safety

Enhancing higher safety levels in gas supply and of gas appliances through proactive measures

**Major activities**

- Gray-cast iron
  - Complete advance replacement

- Repair ductile and thread-joint pipes
  - Prioritized work in congested areas

- Maintenance of welded steel pipes
  - Complete target routes

- Work on zink-coated and asphalt-coated pipes
  - Completed repair work

**New techniques**

- [Advanced Live Joint Sealing Process] Repair joints in live condition
- [Broad pipeline protection technique] Adding materials to gas in pipe to control leakage

**Major actions at customers**

- Promotion of safer gas appliances
  - Complete replacement of compact gas water heater without safety devices

- Free installation of CO sensors at commercial/industrial customers
  - Complete installation by end of FY2009

- Penetration of alarms
  - Gas leak alarms 50% ('08) > 55% ('20)
  - Fire alarms 190 thousands ('08) > 1 million ('20)

- Full implementation of safety inspection
  - Improving quality through data analysis

- Inspection of old gas appliances
  - Preventing accidents by aging of appliances

- Development and penetration of appliances with safety features
  - High safety and functional appliances for removing accident risks

**<Maintenance CAPEX + expenses> Accumulated total: ¥500 billion (¥200 billion in 5 yrs.)**

**<Total expenses for customer safety> Accumulated total: ¥70 bil. (¥30 bil. in 5 yrs.)**
IV. Business directions

2. Power business

Building power business at home and abroad as a second core business after natural gas. Further development of power business through new capacity development and restructuring of generation portfolio.

**Domestic**
- Semboku Power Plant: 1,100MW
- IPP (Torishima, Nakayama, Nakayama-Nagoya): 430MW
- Himeji power facility, etc.: 20MW
- Wind farms (Hayama, Hirogawa): 80MW, 70MW

**New capacity**
- Renewable capacity, enrich portfolio

**Installed capacity**
- 2008: 1,100MW (Semboku)
- FY2020: 3,000MW
- Enlarge capacity

**Overseas**
- Tenaska Gateway (USA): 340MW
- Amorebieta (Spain): 380MW
- Osaka Gas Power America (8 assets-portfolio): 520MW

**Acquisition of new IPP and renewable power assets**

* Power export scheme using customer’s excess capacity
3. International energy businesses (1) Upstream, energy trading

Equity participation up to about 15% of LNG supply and seek LNG trading opportunities through equity-lifting (*

*ownership of LNG as per equity holding for own off-take and marketing

LNG carriers

LNG procurement

Trading

Domestic LNG market

LNG terminals outside Japan

Freeport

Terminals with equity holding
2008  2013  2020
1 > 2-3 > 3-4

LNG volume  2008  2020
100 > 1,500('000 tons/year)

Upstream equity holding

UGO, Qalhat, Sunrise, Gorgon, Evans Shoal, Idemitsu-Snorre (crude oil, gas), Crux (condensate) + …
IV. Business directions

3. International energy businesses (2) Mid- and down-stream

Seeking global opportunities for achieving stable revenue flow using human resources and know-how of the group

<Target areas>
- Pipelines
- LDC (gas distribution)
- IPP (power generation)
- Gas marketing (gas solutions, marketing)
- Renewables, etc.

<Target countries>
Those with small country risks

Total international assets
2008 2013 2020
34 > 100 > 150 (¥billion)
4. Environment and non-energy businesses

Broadening existing businesses in property development, IT, and advanced materials fields
Developing new businesses in environment-related fields utilizing own technologies

- Property/real estate
  - Develop into first-class Property business

- IT
  - Broaden business domains in its strong services

- Advanced materials
  - Develop materials business
    - For advanced and environment-related materials

New businesses in Environment-related fields

- Business development through strategic investments
  - Photovoltaic
  - Biomass
  - Coal seam gas enrichment
  - Ecomicell Measurement
  - Cryogenics
  - PC tank

- [Energy-saving]
- [Engineering]

Businesses to improve brand value and management efficiency of Osaka Gas Group

Revenues from

Env.-related/non-energy 2008 2013 2020
190 > 240 > 350 (¥billion)
In order to “broaden business fields” and “fortify solid business foundations” promoting technological development and utilizing IT

### Key Technological Developments

- **Residential appliances**
  - Enhance performance of fuel cells
  - Advanced home energy management systems
  - Mist / steam generation technology for enhanced product value

- **Commercial/industrial appliances**
  - More efficient A/Cs, cogeneration systems, and boilers
  - Advanced commercial-use kitchen systems
  - Energy management

- **Stable supply, safety**
  - Supply of substitute natural gas from coals
  - New construction methods for greater safety
  - Resource development engineering

- **For a low-carbon society**
  - Utilization of photovoltaic power, solar heat, and biomass
  - Hydrogen production

- **Advanced business**
  - Advanced fine materials, electrode materials
  - Deepen “model base development” [Information]

### Key IT Applications

- **Closer ties with customers**
  - My Page
  - Online communications with customers
  - Eneflex Service
  - Real-time equipment monitoring, automatic energy saving operations

- **Productivity enhancement**
  - Service science
    - Enhance productivity and create new services through analysis and behavior improvement based on ergonomics and environmental psychology, etc.
    - Develop IT tools and office environment
  - Change working styles
2. Streamlining the Group Organizational Structure

Reengineering the Group structure to make ours a lean and mean organization while pursuing higher productivity.

[Domestic energy businesses]
- Develop a framework for promoting energy services
- Review maintenance / operation framework for the domestic power business
- Realign framework for the LPG business

<table>
<thead>
<tr>
<th></th>
<th>FY2008</th>
<th>FY2013</th>
<th>FY2020 (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic energy businesses</td>
<td>12,700</td>
<td>12,600</td>
<td>12,500</td>
</tr>
</tbody>
</table>

[International energy businesses]
- Strengthen framework for the international energy businesses

<table>
<thead>
<tr>
<th></th>
<th>FY2008</th>
<th>FY2013</th>
<th>FY2020 (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>International energy businesses</td>
<td>80</td>
<td>430</td>
<td>1,200</td>
</tr>
</tbody>
</table>

[Environment and non-energy businesses]
- Strengthen framework for the environment businesses

<table>
<thead>
<tr>
<th></th>
<th>FY2008</th>
<th>FY2013</th>
<th>FY2020 (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment and non-energy businesses</td>
<td>6,600</td>
<td>7,300</td>
<td>9,300</td>
</tr>
</tbody>
</table>

[Group Head Office]
- Strengthen investment risk management and assessment functions
- Strengthen the Group’s administrative function
VI. Management Goals

Long-term management goals for the Osaka Gas Group

(1) Broadening business fields

Establish the three core businesses of “domestic energy businesses,” “international energy businesses,” and “environment and non-energy businesses” by proactively making growth-oriented investments.

Our goal is to match the earnings of the gas business in home area to those of other businesses by around FY2013.

(2) Contribution to the environment

Actively reduce stress on the global environment through the spread of eco-friendly natural gas; provision of efficient equipment, systems (fuel cells, cogeneration systems, etc.), and energy-saving programs; and development of renewable energy.

(3) Enhancement of corporate and business quality

Fulfill a high level of CSR as an excellent company which renders services to people’s lifestyles, businesses, and communities, while more than meeting growing social expectations (level of commitment, disclosure)
Long-term management goals for the Osaka Gas Group

(4) Increased corporate value

1. Improve asset and capital efficiency

Make constant efforts to increase our profit margins with the long term goal of approx. 4% ROA and 9% ROE on a consolidated basis.

FY2013 goal: approx. 3.5% ROA and 8% ROE on a consolidated basis

* ROA = Net income divided by total assets
ROE = Net income divided by shareholders’ equity

2. Return to shareholders

While maintaining stable dividend payment, decisions will be made by taking everything into account, including current performance, future management plans, other means to reward shareholders, etc.

Target payout ratio: 30% or more on a consolidated basis (within the bounds of Osaka Gas’s [parent] distributable surplus, excluding short-term earnings change factors).

(We may repurchase our own shares flexibly when we believe that our financial condition and cash flow situation allow us to do so after making investments in the future growth of the business.)

3. Maintain financial soundness

We will conduct quantitative risk management, while seeking to maintain a “shareholder’s equity ratio of 40% or over” and a “ratio of interest-bearing debt to equity of approximately 1” over the mid- and long-term.

Quantitative risk management

Aggressively invest in businesses within the permissible quantity of risk so as to maximize returns
Field of Dreams

Osaka Gas: A corporate group making dreams come true for individuals

Global business fields that expand indefinitely

Contribute to the global environment

We will constantly explore new business fields to continue moving ahead while growing together with our employees.

Offer comfortable lifestyle and business solutions
<Reference>
1. Forecast of Energy Transaction Volume

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Int'l</td>
<td>430</td>
<td>100</td>
<td>230</td>
<td>100</td>
<td>260</td>
<td>470</td>
<td>670</td>
</tr>
<tr>
<td>LPG</td>
<td>3,830</td>
<td>100</td>
<td>230</td>
<td>100</td>
<td>260</td>
<td>470</td>
<td>670</td>
</tr>
<tr>
<td>Power</td>
<td>4,020</td>
<td>470</td>
<td>670</td>
<td>670</td>
<td>670</td>
<td>670</td>
<td>670</td>
</tr>
<tr>
<td>LNG</td>
<td>4,020</td>
<td>470</td>
<td>670</td>
<td>670</td>
<td>670</td>
<td>670</td>
<td>670</td>
</tr>
<tr>
<td>Gas</td>
<td>4,020</td>
<td>470</td>
<td>670</td>
<td>670</td>
<td>670</td>
<td>670</td>
<td>670</td>
</tr>
</tbody>
</table>

(100 million MJ)
2. Forecast of Gas Sales Volume and No. of Customers (Non-consolidated)

(100 million m³)  (10 thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wholesale</th>
<th>Industrial</th>
<th>Commercial</th>
<th>Residential</th>
<th>N. of customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008</td>
<td>42.1</td>
<td>4.4</td>
<td>15.8</td>
<td>22.7</td>
<td>6.94 million</td>
</tr>
<tr>
<td>FY2009</td>
<td>85.0</td>
<td>4.4</td>
<td>42.1</td>
<td>23.5</td>
<td>7.18 million</td>
</tr>
<tr>
<td>FY2010</td>
<td>45.4</td>
<td>4.9</td>
<td>15.4</td>
<td>23.5</td>
<td>7.2 million</td>
</tr>
<tr>
<td>FY2011</td>
<td>89.2</td>
<td>4.9</td>
<td>45.4</td>
<td>23.5</td>
<td>89.2 million</td>
</tr>
<tr>
<td>FY2012</td>
<td></td>
<td></td>
<td>15.4</td>
<td>23.5</td>
<td>92.5 million</td>
</tr>
<tr>
<td>FY2013</td>
<td></td>
<td></td>
<td></td>
<td>23.5</td>
<td></td>
</tr>
<tr>
<td>FY2020</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

1m³ = 45MJ
3. Capital Expenditure (FY2009 - FY2013)

FY2009-FY2013
Total ¥420 billion

Subsidiaries
Incidental Business
Operational Facilities
Distribution Facilities
Production Facilities

(100 million yen)
## 4. Total Operating Revenues and Assets

### Reference

Units: yen

<table>
<thead>
<tr>
<th></th>
<th>FY2008/E</th>
<th>FY2013/E</th>
<th>FY2020/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic energy businesses</td>
<td>1,320 billion</td>
<td>1,490 billion</td>
<td>1,630 billion</td>
</tr>
<tr>
<td>International energy businesses</td>
<td>10 billion</td>
<td>70 billion</td>
<td>220 billion</td>
</tr>
<tr>
<td>Environment and non-energy businesses</td>
<td>195 billion</td>
<td>240 billion</td>
<td>350 billion</td>
</tr>
<tr>
<td>Consolidated adjustment etc.</td>
<td>-190 billion</td>
<td>-200 billion</td>
<td>-200 billion</td>
</tr>
<tr>
<td>Consolidated operating revenues</td>
<td>1,335 billion</td>
<td>1,600 billion</td>
<td>2,000 billion</td>
</tr>
<tr>
<td>Consolidated total assets</td>
<td>1,600 billion</td>
<td>1,850 billion</td>
<td>2,100 billion</td>
</tr>
</tbody>
</table>

*The above figures are based on an oil price assumption of $10/bb and a forex assumption of ¥100/US$ (reference values).*
5. Technological Developments - (1) Residential Energy Supply Systems of the Future

- Efficient power / heat supply through “cogeneration + photovoltaic power generation + storage batteries”
- A home energy management system achieves optimal energy combinations for energy-saving and reduction of CO₂ and costs.
- Automated gas meter check and security services via ultrasonic meter’s communication function
5. Technological Development - (2) Urban Energy Supply System of the Future

Supporting “compact cities” and multiple use of land in metropolitan areas
(Efficient use of urban waste heat, incorporating energy facilities into urban development projects)

Support revitalization of housing complexes (“New Towns”)
(Networking energy facilities of housing complexes)

Form a heat / electricity energy network through combination with renewable energy technologies such as cogeneration, photovoltaic generation, wind power, and biomass. Through the integrated application of the network, achieve optimal energy management friendly to the environment of the entire city, and then spread this area-wide service to other areas.
5. Technological Development - (3) Product Development

<Residential appliances>

[Improving performance of ENE-FARM]
- Reduce delivery prices for full-scale spread
- Enhance durability for lower maintenance costs

[Launch highly efficient and advanced Solid Oxide Fuel Cells (SOFCs)]
- Lower costs and increase durability for commercial launch
- Increase efficiency and reduce sizes for greater diffusion in the condo / small business markets

[Utilize steam generation technology]
- Offer value-added through unique use of gas-generated steam (ovens, dishwashers, rice cookers, heaters, steam guns, etc.)

<Commercial / industrial appliances>

[Higher efficiency A/Cs, cogeneration systems, and boilers]
- “Super high efficiency GHP” with a built-in freezer which directs an engine’s waste heat to supercool refrigerants (jointly developed by three gas companies)
- “High efficiency gas engines” using Homogeneous Charge Compression Ignition (HCCI) technology (jointly developed by four gas companies)

- Pursuing energy-saving performance: energy saving gas boilers, etc.

[Advanced commercial kitchens]
- Expand the Suzachu lines
- Improve functionality of gas ranges (design, cooking performance, etc.)
## 5. Technological Development

### (4) Stable Supply and Safety, Low-carbon Society, Advanced Business

<table>
<thead>
<tr>
<th>Stable supply, safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Supply substitute natural gas (SNG)]</td>
</tr>
<tr>
<td>- Technology to produce SNG from low grade coals, etc. as a risk hedge against short supply or rising prices of LNG</td>
</tr>
<tr>
<td>[Resource development engineering]</td>
</tr>
<tr>
<td>- Enhance liquefaction technology through participation in the Sunrise PJ, and improve engineering capabilities for the “coalbed methane gas field” and the “offshore natural gas field liquefaction plant”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contribute to a low-carbon society</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Strategic use of photovoltaic power generation, solar thermal conversion, and biomass]</td>
</tr>
<tr>
<td>- Incorporate these technologies into energy systems, start up new businesses</td>
</tr>
<tr>
<td>[Produce synthetic gases through the A-ATG process]</td>
</tr>
<tr>
<td>- Make efficient use of associated gases combusted for disposal when producing crude oils</td>
</tr>
<tr>
<td>[Concentration of coal mine methane]</td>
</tr>
<tr>
<td>- Collect / concentrate coal mine methane discharged into the atmosphere when digging coals and put it to efficient use</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advanced business</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Osaka Gas Information System Research Institute]</td>
</tr>
<tr>
<td>- Promote “100-year architecture,” which optimally integrates “model base development (system visualization technology)” with system reuse technology</td>
</tr>
<tr>
<td>[Osaka Gas Chemicals]</td>
</tr>
<tr>
<td>- Advanced fine materials for LCD / lens markets (better workability, etc.)</td>
</tr>
<tr>
<td>- Electrode materials technology which reduces storage battery costs</td>
</tr>
<tr>
<td>[Hydrogen production]</td>
</tr>
<tr>
<td>- Using catalyst technology, produce hydrogen out of city gas with a compact facility (HYSERVE system)</td>
</tr>
<tr>
<td>[New construction methods]</td>
</tr>
<tr>
<td>- Raise safety level via the advanced live joint seal method (reinforcing the inside of pipeline joints)</td>
</tr>
<tr>
<td>[Battery-operated alarms, ultrasonic meters]</td>
</tr>
<tr>
<td>- Raise level of safety and services by introducing a battery-operated alarm with an energy-saving sensor and a compact ultrasonic meter capable of instantly measuring flow rate</td>
</tr>
</tbody>
</table>
Thank You!

Disclaimer
Certain statements contained herein are forward looking statements, strategy and plans, which reflect our judgment based on information at the time of publication. Actual results may differ materially from those discussed in such statements. Among those factors that could cause actual results to differ materially are: the economic trend in Japan, sharp fluctuations in exchange rate and oil prices and extraordinary weather conditions.