

Intellectual Property Activities of the Osaka Gas Group

Intellectual Property Strategies

The Osaka Gas Group is actively committed to acquiring intellectual property rights for technologies that result from its research and development programs. Intellectual property activities are an aspect of technology management and guided by the following three basic policies.

■ Reinforce intellectual property rights acquisition in important technology areas

We are working to reinforce acquisition of intellectual property rights capable of helping to strengthen business operations in areas of strategic management importance for the Osaka Gas Group now or in the future, including residential energy systems.

■ Promote open innovation through utilization of intellectual property

In actively disclosing technologies in which we are proficient outside the company and effectively implementing technologies

which have a competitive advantage, we promote open innovation through maximum utilization of our intellectual property as key technologies.

■ Strengthen intellectual property throughout the Group

We are currently working to strengthen intellectual property throughout the Osaka Gas Group by creating a common infrastructure for intellectual property expertise within the Group that covers areas such as risk management and personnel development.

Osaka Gas Group Patent Applications

The Osaka Gas Group made a total of 353 patent applications in the fiscal year ended March 2009.

In recent years, we have created a strong net of intellectual property rights by using techniques such as patent portfolio management to specify the scope of rights to acquire and apply for patents in an intensive manner, centering on core technologies.

For example, in connection with residential cogeneration systems such as ENE-FARM and ECOWILL, we have built a robust net of patents for fuel reforming equipment and self-learning control systems, their core technologies.

Patents Held by the Osaka Gas Group

The Osaka Gas Group holds 2,132 patents as of March 31, 2009.

In connection with the production, transport and supply of natural gas, we have patents for LNG tank technologies and non-excavation-based construction methods. In the area of commercial energy, we own patents for cogeneration systems and gas-powered air conditioning technologies. In the residential energy market, our patents cover residential cogeneration systems, mist saunas and other technologies. Rights unrelated to energy include patents for fine chemical materials.

Patents are utilized in the Group's businesses, and also actively licensed to other companies. Overall, the Group utilizes over 60% of its patents, a relatively high level.

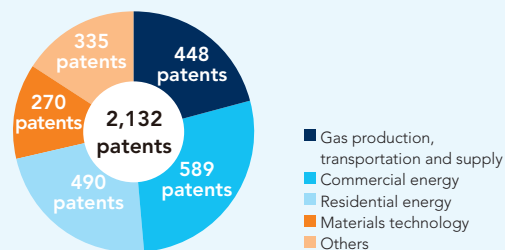
Patent Applications by the Osaka Gas Group

(Applications)

05.3	06.3	07.3	08.3	09.3
512	471	407	390	353

Osaka Gas Group's Patent Portfolio by Business Type

(As of March 31, 2009)



Intellectual Property Risk Management and Related Personnel Training

In order to reduce intellectual property risk for the Osaka Gas Group as a whole, we intend to continue conducting risk reviews and plan to standardize review systems and widely share information, the foundation of intellectual property activities.

We also conduct intellectual property training and awareness-raising activities in order to raise the knowledge level of Osaka Gas Group employees. These activities include training sessions run by instructors from inside and outside the company for different objectives and ranks, publication of an e-mail magazine that includes intellectual property news and administrative reminders, and intellectual property e-learning programs to impart basic knowledge on the subject.