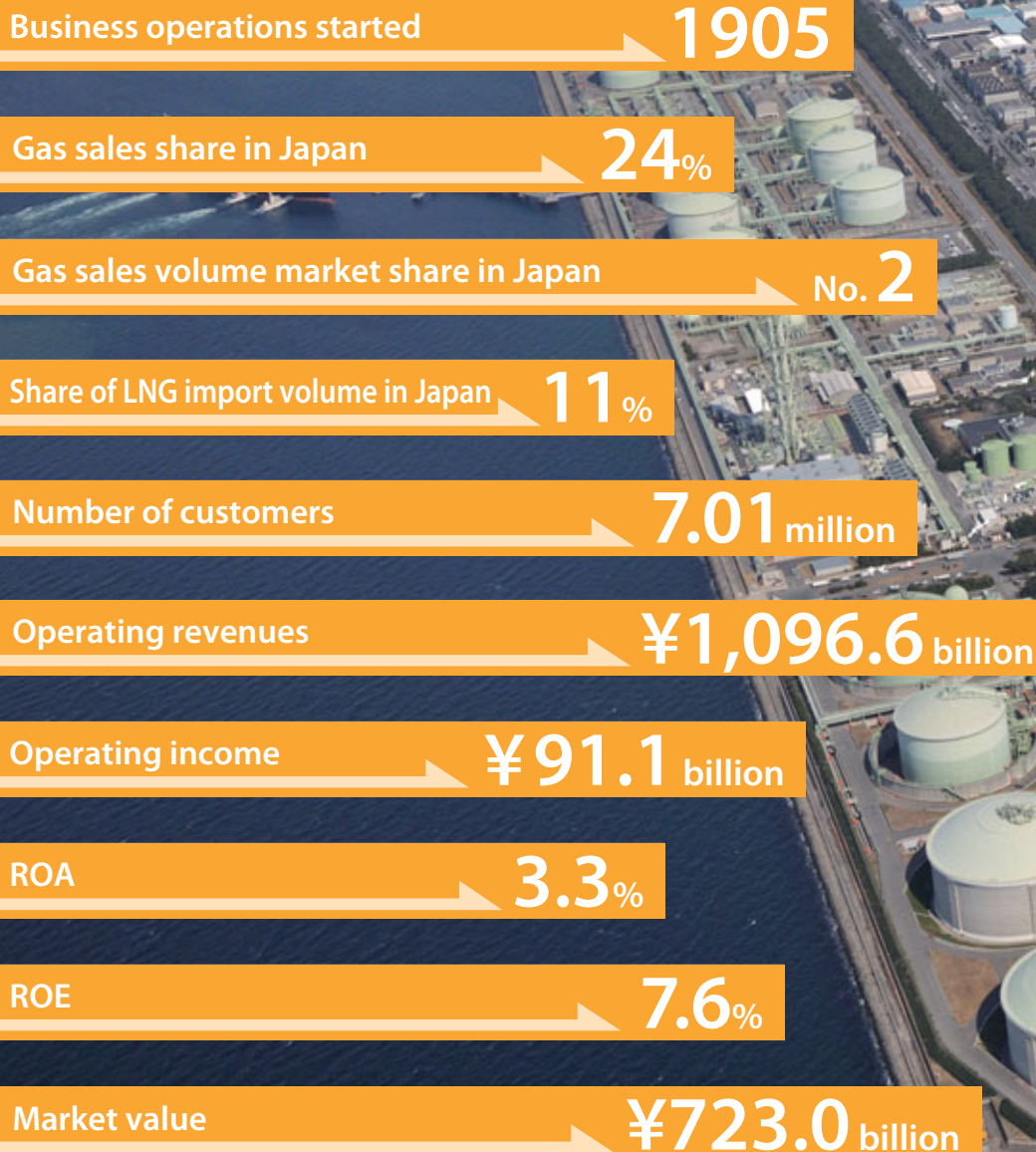
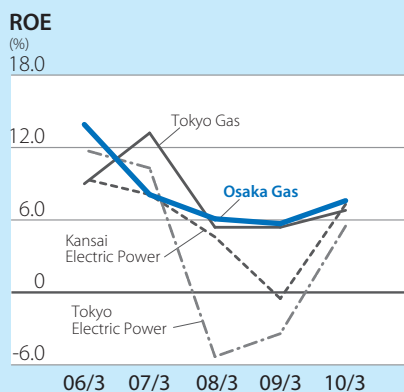


# The Osaka Gas Group 2010

For the fiscal year ended March 31, 2010



## Energy industry-related data



Source: Nikkei Financial Quest

## Long-term credit rating

(As of June 30, 2010)

	Country	R&I (Rating and Investment Information)	Moody's	Standard & Poor's
<b>Osaka Gas</b>	<b>Japan</b>	<b>AA+</b>	<b>Aa2</b>	<b>AA</b>
Tokyo Gas	Japan	AA+	Aa1	AA
Tokyo Electric Power	Japan	AA+	Aa2	AA
Kansai Electric Power	Japan	AA+	Aa2	—
Duke Energy	USA	—	Baa2	A-
CMS Energy	USA	—	Ba1	BBB-
El Paso Corp.	USA	—	Ba3	BB



Gas supply area of the Osaka Gas Group

## Contents

- 3 Consolidated Financial Highlights
- 4 To Our Stakeholders
- 5 Interview with the President
- 11 Special Feature:
  - Measures to Prevent Global Warming
  - Aiming for the Realization of a Low-Carbon Society through Natural Gas
- 16 Corporate Governance
- 17 Directors and Corporate Auditors
- 18 Corporate Social Responsibility (CSR) Initiatives
- 21 Osaka Gas Group's Businesses
  - 22 Domestic Energy Businesses
  - 30 International Energy Businesses along the Energy Value Chain
  - 34 Environment and Non-Energy Businesses
- 36 Technological Development
- 39 Intellectual Property Activities of the Osaka Gas Group
- 40 Japanese Gas Business
- 42 Business Domain and Earnings Structure
- 44 Consolidated Financial Summary
- 46 Management's Discussion and Analysis
- 52 Consolidated Balance Sheets
- 54 Consolidated Statements of Income
- 55 Consolidated Statements of Changes in Shareholders' Equity
- 57 Consolidated Statements of Cash Flows
- 58 Notes to Consolidated Financial Statements
- 69 Independent Auditors' Report
- 70 Major Consolidated Subsidiaries
- 72 Osaka Gas Group History
- 73 Company Data

### Editorial Policy

#### Definition of Terms

In this annual report, "fiscal 2010" refers to "the fiscal year ended March 31, 2010," and other fiscal years are referred to in a corresponding manner.

#### Company Names

Except where specially noted otherwise, "Osaka Gas" and "the Company" refer to "Osaka Gas Co., Ltd.," and "the Osaka Gas Group" and "the Group" indicate the Company, its consolidated subsidiaries, and affiliates.

#### Note on Heat Unit Value

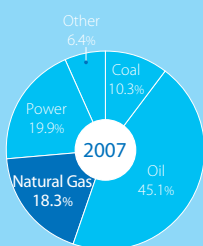
Unless otherwise stated, gas sales volume is shown at the unit value of 45MJ/m<sup>3</sup>.

### Forward-looking Statements

Statements contained in this report with respect to the Osaka Gas Group's plans, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of the Osaka Gas Group which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Osaka Gas Group's actual results, performance or achievements to differ materially from the expectations expressed herein.

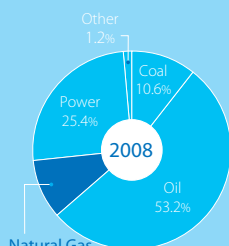
### Demand for natural gas

Global final energy consumption by energy source



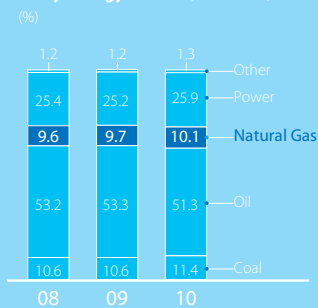
Sources: IEA "Energy Balances of OECD/Non-OECD Countries"

Japanese final energy consumption by energy source



Source: Ministry of Economy, Trade and Industry / The Energy Data and Modeling Center (EDMC), "Statistics of Energies"

Japanese final energy consumption by energy source (estimate)



Source: The Institute of Energy Economics, Japan