

Osaka Gas Group's 2015 Business Plan

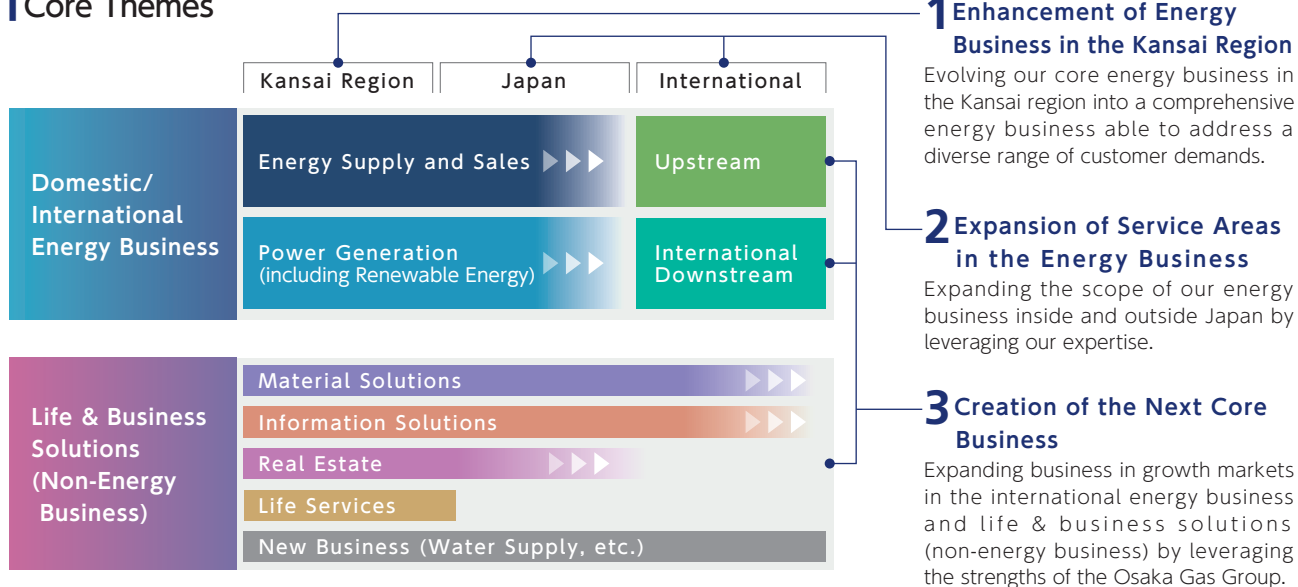
Positioning of the Osaka Gas Group's "Catalyze Our Dreams" Medium-Term Business Plan

While carrying forward in the direction outlined in the Group's "Field of Dreams 2020" long-term management vision, we set up a medium-term business plan starting in FY2014, "Catalyze Our Dreams." In 2015 we will further expand our business in domains that show strong growth potential, such as electric power, international energy, and material solutions, while responding to various changes in the business climate. Also, in anticipation of the proposed restructuring of the electricity and gas industries in Japan, we aim to combine gas equipment and various services with our energy business to provide gas and electric power as a "comprehensive energy business operator."



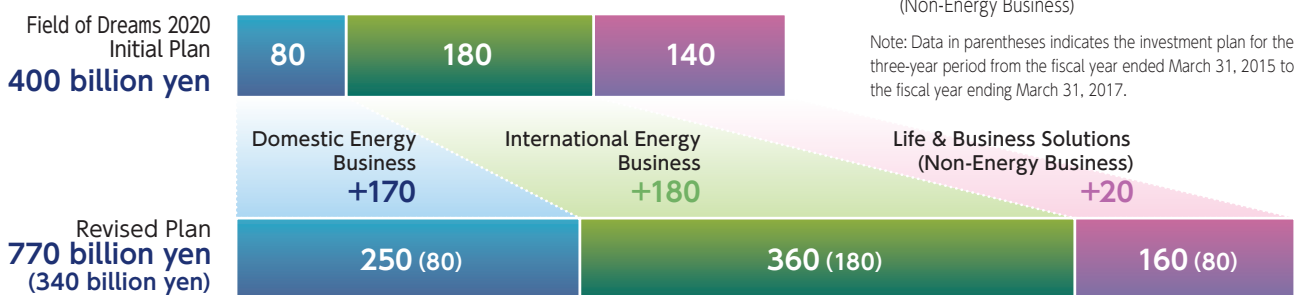
Outline of Osaka Gas Group's Medium-Term Business Plan, "Catalyze Our Dreams" (2015.3-2017.3)

Core Themes



Investment Plan

Investment in New Business Expansion (2015.3-2021.3)



Major Management Indicator Targets

		2017.3	2021.3
Profitability indicators	ROA	3.5%	4.5%
	ROE	8.0%	9.0%
Financial soundness indicators	D/E ratio	Approx. 0.7	
	Net worth/Total assets	50% or higher	
Shareholder returns	Payout ratio	30% or higher*	
	Share buybacks	Management intends to take a flexible approach while considering overall investments and financial position.	

* Excluding factors that affect short-term profits

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Business Activities

Domestic/International Energy Business

Response to Restructuring of the Electricity and Gas Industries

- Measures to improve neutrality in the transmission/distribution service sector
- Improvements to operational flow, IT systems, and organizational structure



Energy (Gas/Electricity) Sales Business

- Expansion of the electric power retail business (starting in FY2016)
- Further evolution as a "comprehensive energy business operator"



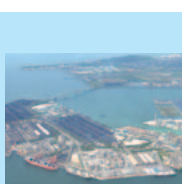
Distributed Energy Systems

- Promotion of the use of ENE-FARM, cogeneration, and gas heating/cooling systems
- Technological development of equipment and facilities
- Installation and operation, etc. of hydrogen stations



City Gas Production and Supply Base Strengthening

- Renewal and expansion of facilities
Completion of Senboku LNG Terminal Unit 1 Tank 5
- Promotion of earthquake and tsunami response measures
Aiming for two-week recovery from a Level 1 tsunami after a Nankai Trough Earthquake by the end of FY2015



Power Generation Business —Broad-Area Energy Business

- New energy source acquisition
- Developing demand along the Himeji-Okayama Gas Pipeline

Natural Gas Procurement International Upstream Business

- Multiple sourcing for supply and diversification of contract price indices, participation in natural gas liquefaction and development projects
- Current international project participation
 - Freeport LNG Project (USA)
 - Gorgon LNG Project (Australia)
 - Ichthys LNG Project (Australia)
 - Western Papua New Guinea Gas and Condensate Field (PNG)



International Downstream Business

- Project participation in a broad range of areas focusing on Southeast Asia and North America; under review
- Setup of new operations site in Southeast Asia; under review



Life & Business Solutions (Non-Energy Business)

Life & Business Solutions (Non-Energy Business)

- Initiatives to achieve growth in various business domains
 - Material Solutions**
Acceleration of next-generation product development focusing on fine chemicals
 - Information Solutions**
Expansion of cloud services business
 - Real Estate**
Business expansion through acquisition of prime assets
 - Life Services**
Participation in new forms of business such as healthcare services



Financial Plan (Consolidated)

	FY2015 Estimate (billion yen)	Increase/ Decrease (%)
Net sales	1,368.5	-10.4
Operating income	113.5	+8.0
Ordinary income	110.0	+1.7
Net income	73.5	-4.2
ROA	4.0%	—
ROE	8.3%	—

Assumptions: Crude oil price (JCC) average of \$65/barrel;
exchange rate of ¥120/\$1

■ Sensitivity of ordinary income to fluctuations in crude oil price and exchange rate
±800 million yen per change of \$1/barrel; ±800 million yen per change of ¥1/\$1

Investment Plan

	FY2015 Estimate (billion yen)	Increase/ Decrease (%)
Investment to improve quality of existing business	54.0	+20.8
Investment in new business expansion	148.0	+60.0
Energy Business (Domestic)	17.5	—
Energy Business (International)	73.0	—
Life & Business Solutions (Non-Energy Business)	57.5	—
Total amount of investment	202.0	+47.3