

## Message from Top Management



Hiroshi Ozaki  
Chairman

Takehiro Honjo  
President

### Commitment

**Expanding our energy business through growth opportunities in the full deregulation of the retail electricity and gas markets.**

**Evolving into a comprehensive energy company serving the wide-ranging needs of customers and society.**

**Maximizing stakeholder value.**

We are delighted to extend our warmest greetings to all stakeholders as we issue this Annual Report 2016.

Today, with the slowdown in the Chinese economy and falling crude oil prices, the status of the global economic and social situation is marked by a lack of clarity and uncertainty. This continues to make it difficult to predict how the business environment will develop going forward. In addition, the liberalization of the retail electricity and gas markets has created major changes in the business environment. The Osaka Gas Group views these changes as opportunities for growth, on which we hope to capitalize to drive our businesses forward and achieve sustained growth.

With the onset of the full liberalization of the retail electricity market, the Osaka Gas Group entered the retail electricity business, particularly in the residential sector. Accepting orders since January this year, we successfully commenced services in April. In a year from the electricity market liberalization, the gas market will likewise be fully deregulated in April 2017, which will open up new competition for residential and other small customers in this market. We will strive to remain the number one choice of customers for energy by offering reliable supply of gas and electricity and a wide range of gas appliances and equipment along with various services that contribute to our customers' comfortable living and business success.

Meanwhile, we will continue promoting the wider use of decentralized energy systems and developing highly efficient new power sources in our domestic energy business, expanding upstream and downstream businesses in our international energy business and pursuing business expansion in growth markets in our life & business solutions (non-energy business). We seek to achieve greater competitiveness by offering optimal solutions to our customers and striving to develop innovative technologies.

The fiscal year ending March 2017 is the final year of the "Catalyze Our Dreams" medium-term business plan, which covers the three fiscal years from April 2014 to March 2017. It is also the year in which we will formulate our next medium-term business plan. As we continue implementing the initiatives planned in "Catalyze Our Dreams," we will formulate our next medium-term business plan, which will chart a course toward future growth, based on lower crude oil prices and on the deregulated retail electricity and gas markets.

The Osaka Gas Group is committed to creating value primarily for customers, as well as for society, shareholders and employees, while powering consumers' life and business advancement.

Thank you for your continued support and encouragement.

July 2016

尾崎 裕

Hiroshi Ozaki  
Chairman

本庄武宏

Takehiro Honjo  
President