

September 29, 2008

Revision of Residential Rates and Other Tariffs

The Board of Directors of Osaka Gas determined today to revise the gas supply rules and other conditions applied to small customer segments of its gas business. The revised rules stipulate that the tariffs will be lowered by an average of 1.13%, effective November 1, 2008. The decision was immediately reported to the Minister of Economy, Trade, and Industry.

The company plans to lower the general tariffs by an average of 0.95%, and similarly, the contractual and transportation tariffs will also be revised.

The revision of the tariffs has been realized as a result of the company's efforts in reducing overall costs during the past two years since the previous revision in November 2006, together with the expected maximum level of the fixed cost (excluding the fuel portion) to be reduced in the future. Accordingly, the average base fuel costs will also be reviewed.

Upon the revision of its tariffs, Osaka Gas has newly established business streamlining targets after 2008. The company intends to review its results and achievements regularly and publish them.