

Long-Term Management Vision and Medium-Term Business Plan

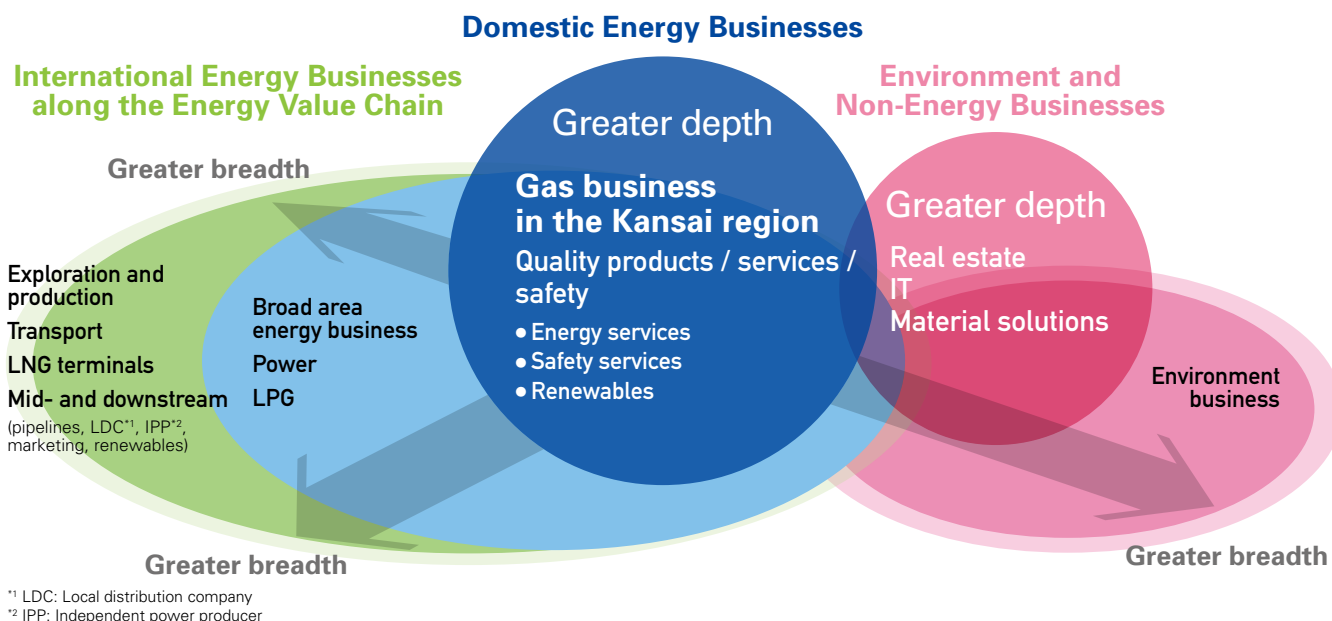
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Overview of “Field of Dreams 2020”

In March 2009, the Osaka Gas Group formulated the “Field of Dreams 2020” long-term management vision and medium-term business plan, which illustrate our vision for the Group in 2020. Leveraging the tangible and intangible assets accumulated throughout its long history spanning more than 100 years, the Group will act in accordance with this plan as it strives to innovate its business structure from a long-term perspective.

Vision for the Osaka Gas Group in 2020

Osaka Gas aims to grow into a strong global energy and environmental businesses group with its operations based in three pivotal business fields: domestic energy businesses, international energy businesses along the energy value chain, and environment and non-energy businesses.



Initiatives to Realize Our Vision for 2020

1. Broadening Business Domains

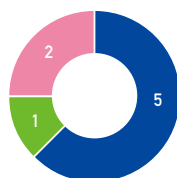
- Broaden business domains by reinforcing existing businesses and expanding new business fields and bases
- Invest ¥1.5 trillion to solidify the three pivotal business fields

2. Fortifying Solid Business Foundations

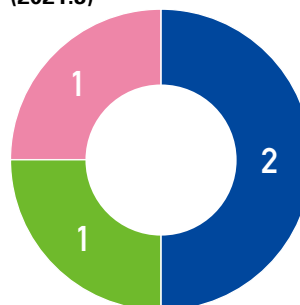
- Maximize Group potential by creating synergies between the three business areas and dispersing risks
- Build solid business foundations resilient to external changes by optimizing the business portfolio

Working toward a Balanced Earnings Structure

Average scale ratio for the three-year period (2007.3-2009.3)



Target scale ratio (2021.3)



● Domestic Energy Businesses
● International Energy Businesses
● Environment and Non-Energy Businesses

Progress toward “Field of Dreams 2020”

(Consolidated)						Millions of Yen	
	2010.3	2011.3	2012.3	2013.3	2014.3 (Estimate)	Field of Dreams 2020 Estimate 2014.3	2021.3
Net sales	¥1,096,628	¥1,187,142	¥1,294,781	¥1,380,060	¥1,508,000	¥1,600,000	¥2,000,000
Total assets (at the end of the fiscal year)	1,483,895	1,437,297	1,475,759	1,566,899	1,625,800	1,850,000	2,100,000
ROA	3.3%	3.1%	3.1%	3.4%	4.1%	Approx. 3.5%	Approx. 4.0%
ROE	7.6%	6.9%	6.7%	7.3%	8.6%	Approx. 8.0%	Approx. 9.0%
Shareholder returns	Consolidated payout ratio of 30% or higher after eliminating factors that cause short-term fluctuations in profit						
Maintenance of a sound financial position	Shareholders' equity ratio above 40% and debt equity ratio of approximately one						

Progress of measures aimed at securing growth

Domestic Energy Business

- **Dispersed power:** Cumulative ENE-FARM system sales of 12,119 units; cumulative commercial and industrial cogeneration system generation capacity of 1,486 MW (as of March 31, 2013)
- **Pipelines:** Construction of the Mie-Shiga Pipeline and the Himeji-Okayama Pipeline (to be completed in January 2014 and April 2014, respectively)
- **LNG tanks:** Construction of an LNG tank at the Senboku No. 1 Works (to be completed in 2015)
- **LNG sales:** Concluded LNG sales contracts with Okinawa Electric Power Company, Inc. (from the fiscal year ended March 31, 2013) and Shizuoka Gas Co., Ltd. (from the fiscal year ending March 31, 2015)
- **Electric power business:** The Senboku Natural Gas Power Plant, which commenced operations in the fiscal year ended March 31, 2010, served to mitigate the tight balance between the demand for and supply of electricity after the Great East Japan Earthquake

International Energy Business along the Value Chain

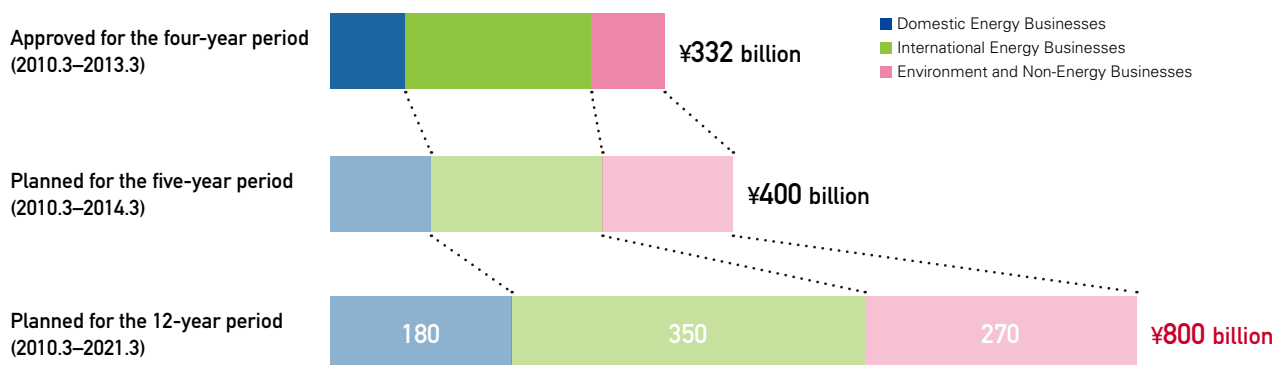
- **Interests in upstream projects:** Decided to acquire equity interests in the Gorgon and Ichthys LNG projects in Australia as well as a condensate and gas development project in Papua New Guinea
- **Shale gas activities:** Participated in shale gas projects in Canada and the U.S.; concluded a gas liquefaction tolling agreement with a subsidiary of Freeport
- **Mid- and downstream businesses:** Participated in an LNG terminal project in Spain and a power generation and water desalination project in the UAE; participated in a gas marketing business in Singapore

Environment and Non-Energy Business

- **General:** Steady gain in strength across existing businesses; substantial growth in segment profit
- **Real estate business:** Acquired income-generating real estate
- **Renewable energy activities:** Participated in mega-solar projects at three sites in Japan and one site in Canada; newly acquired three wind power plants in Japan (for an aggregate total of five including previously acquired plants) and one in Australia

Progress of investment aimed at securing growth

Progress of investments for expansion, greenfield projects, and M&A activities



Over the 12-year period from the fiscal year ended March 31, 2010 to the fiscal year ending March 31, 2021, the Osaka Gas Group plans to invest an amount totaling **¥1.5 trillion**. In broad terms, this will encompass investments for expansion, greenfield projects, and M&A activities of ¥800 billion and investment for upgrading existing businesses of ¥700 billion.