

Life & Business Solutions (Non-Energy Business)

【 What We Aim to Be in FY2030 and Summary of Current Situation 】

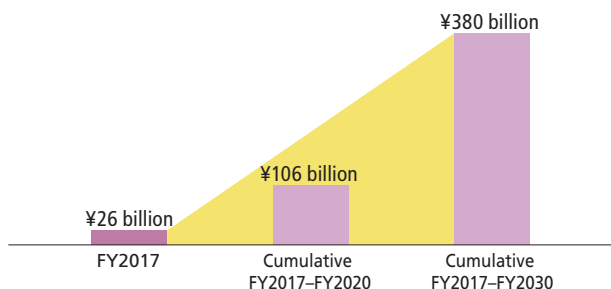
The Osaka Gas Group actively applies the technologies and know-how it has accumulated in the energy business, developing businesses that differ from the energy field in order to diversify business risk.

These non-energy businesses are playing a major role in supporting the Osaka Gas Group's earnings base as a stable source of earnings, particularly as crude oil prices and foreign exchange trends remain unclear.

We plan to accelerate growth in three core business areas in Life & Business Solutions—Real Estate, Materials and Information—aiming to consistently increase profits through fiscal 2030.

In the fiscal year ended March 31, 2017, net sales totaled 208.3 billion yen. Segment income was 18.6 billion yen. For the fiscal year ending March 31, 2018, we anticipate net sales of 208.5 billion yen and segment profit of 19 billion yen.

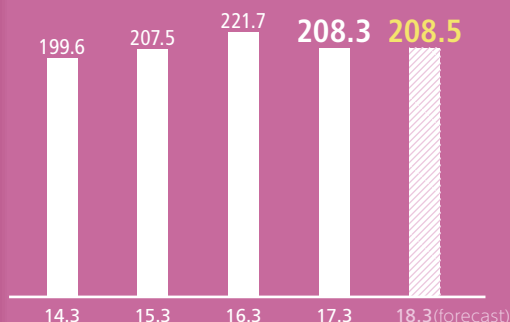
Expanding Growth Investment in LBS



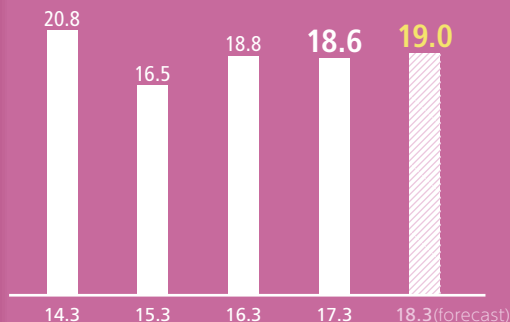
Forecast for year ending March 2018

Net Sales **¥208.5 billion** Segment Income* **¥19 billion**

Net Sales (billion yen)



Segment Income* (billion yen)



(The 2017.3 and 2018.3 figures include sales and segment income in the new segments)

* Segment income = Operating income + Equity in earnings of affiliates
 Note: From the fiscal year ending in March 2018, Sumisho Osaka Gas Water UK Limited, an equity-method affiliate, will be repositioned from Life & Business Solutions into International Energy Business.
 Starting in the fiscal year ended March 31, 2015, Osaka Gas repositioned the renewable energy business from the environment/non-energy segment to the LPG/electricity/other energy segment or to the international energy segment according to the details of individual business activities. For this reason, figures from the fiscal year ended March 31, 2015 on do not include the renewable energy business.

Real Estate Business — Osaka Gas Urban Development Group

【 Business Overview and Characteristics 】

Our real estate business extends widely to include the development of properties such as sale and rental apartments, office buildings, management of buildings and facilities, and so on.

【 What We Aim to Be in FY2030 】

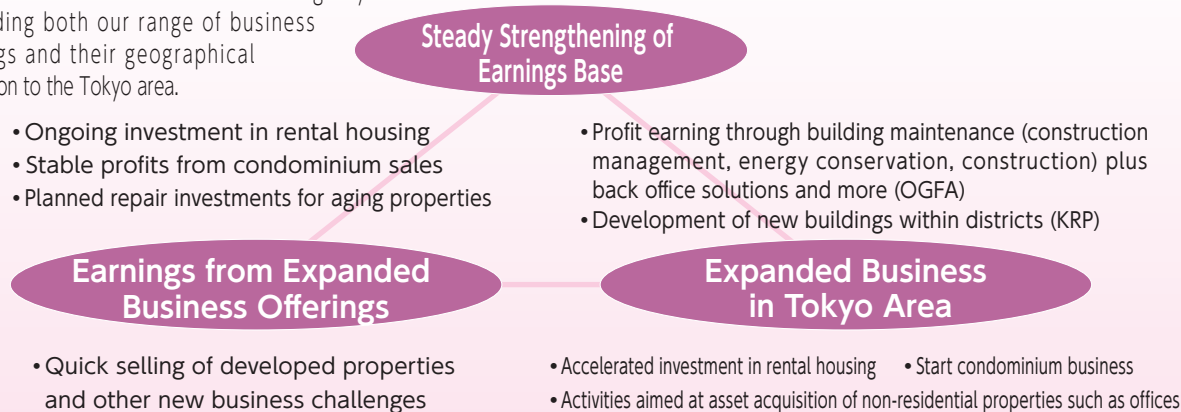
The Osaka Gas Group aims to be a strong player in diverse areas such as leasing, sales, and maintenance by expanding business in the Kansai area as well as in the Tokyo area.



Urbanex Honmachi

■ Key Strategies Through FY2020

- We aim to strengthen the earnings base of existing businesses and establish new earnings by expanding both our range of business offerings and their geographical expansion to the Tokyo area.



■ Current Situation

The Osaka Gas Urban Development Group

【 Osaka Gas Urban Development 】

Osaka Gas Urban Development is developing condominiums for sale under "The Urbanex" brand, along with rental condominiums and rental offices under the "Urbanex" brand.

【 Osaka Gas Facilities (OGFA) 】

Osaka Gas Facilities provides comprehensive management services such as facility operation management, security, and cleaning at facilities such as office buildings, hospitals, research facilities, and factories.

In addition, we meet the wide-ranging needs of customers in relation to buildings and facilities, extending from repair work and large-scale renovations to energy conservation, CO₂ reductions, and the visualization of energy consumption.

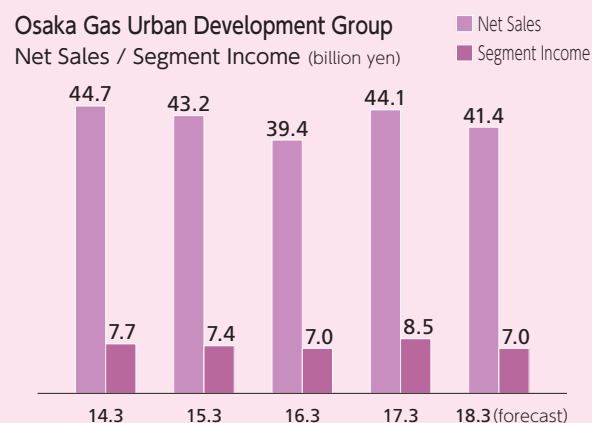
【 Kyoto Research Park (KRP) 】

Kyoto Research Park is an industrial cluster home to nearly 400 tenant venture companies and organizations. In addition to providing offices and laboratories, KRP promotes the creation of new businesses in collaboration with Kyoto Prefecture, Kyoto City, and universities.

KRP aims to be a hub for innovation that generates new ideas and business by bringing together individuals and companies working in diverse fields.

■ About the Fiscal Year Ended March 31, 2017

In the fiscal year ended March 31, 2017, profit rose due to a steady increase of profitable real estate in the leasing business, sales growth due to strong sales in the built-for-sale housing business, a consistently high occupancy rate in the research park, and the opening of a service office (KRP BIZ NEXT).



Materials Business — Osaka Gas Chemicals Group

[Business Overview and Characteristics]

Osaka Gas employs coal chemistry technologies as well as pharmaceutical- and agrochemical-related technologies for the development, manufacture, and sales of highly functional materials.

In 2014 we acquired Jacobi Carbons AB (Sweden) and are developing our business globally.

[What We Aim to Be in FY2030]

Engaged primarily outside of Japan, we aim to become a manufacturer of functional materials with a top position in niche markets that contributes positively to industry, life, and the environment.

■ Key Strategies Through FY2020

- We will establish a stable earnings base through diverse product lines in five business areas.
- We will also be working on substitutions in our business portfolio to adapt to changes in the times and to achieve sustainable growth.

Fine Materials	Carbon Materials	Activated Carbon	Silica- and Alumina-based Materials	Preservatives
<p>Development of various applications for fluorene with its excellent optical properties and heat resistance</p> <p>Resins for camera lenses in smartphones and other devices, semiconductor materials, liquid crystal displays</p> 	<p>Expanded sales of DONACARBO carbon fiber with its excellent heat insulation and abrasion resistance</p> <p>Molded insulation for silicon-manufacturing furnace for photovoltaic cells</p>  <p>Acoustic insulation material for train cars</p>	<p>Expanded global value chain through cooperation between the Jacobi Group and Osaka Gas Chemicals</p> <p>Activated carbon for purification processes in food, alcohol and pharmaceutical manufacturing, air purifiers and water filters</p> 	<p>Expanded sales of adsorbents and additives and efforts toward developing new applications</p> <p>Activated clay for petroleum and for refining cooking oil</p> 	<p>Development of wood preservatives, industrial preservatives, industrial coating agents</p> <p>Xyladecor® wood preservative, Xylamon termiticide</p> 

■ Current Situation

About the Osaka Gas Chemicals Group

[Osaka Gas Chemicals]

Established in 1931, Osaka Gas Chemicals employs technologies cultivated in coal chemistry and pharmaceuticals to develop functional chemical products that add value to customers' products.

[Mizusawa Industrial Chemicals Group]

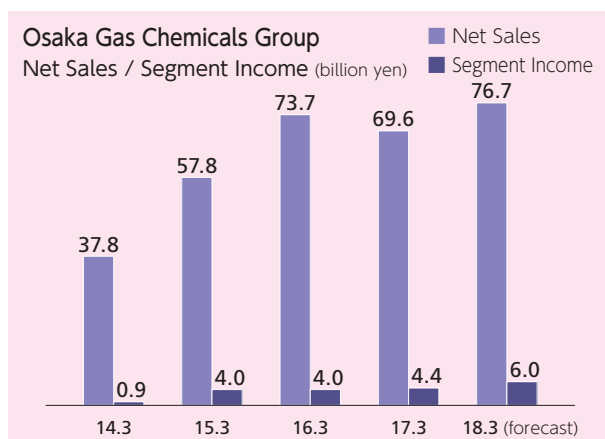
Mizusawa Industrial Chemicals was established in 1937 to domestically refine the activated clay needed for refining petroleum and fats and oils. It joined the Osaka Gas Group in 2015.

[Jacobi Carbons Group]

An activated carbon producer established in Sweden in 1916, Jacobi does business in 18 countries. It joined the Osaka Gas Group in 2014. Osaka Gas Chemicals and the Jacobi Group together form the second largest activated carbon producer in the world. (Based on Osaka Gas Chemicals' FY2016 performance)

■ About the Fiscal Year Ended March 31, 2017

In the fiscal year ended March 31, 2017, profit increased due to expanded preservatives and activated carbon business sales for Osaka Gas Chemicals, and robust business at Jacobi and Mizusawa Industrial Chemicals.



Information Solutions Business — OGIS-RI Group

【 Business Overview and Characteristics 】

OGIS-RI traces its roots back to developing and managing systems for the gas business of Osaka Gas. After various acquisitions, it organized a group of system providers to offer services to the manufacturing and financial industries.

By sharing the expertise of each company in the group, we provide comprehensive IT services ranging from consulting, design, development, and the operation of corporate information systems to data centers, cloud services, and security.

【 What We Aim to Be in FY2030 】

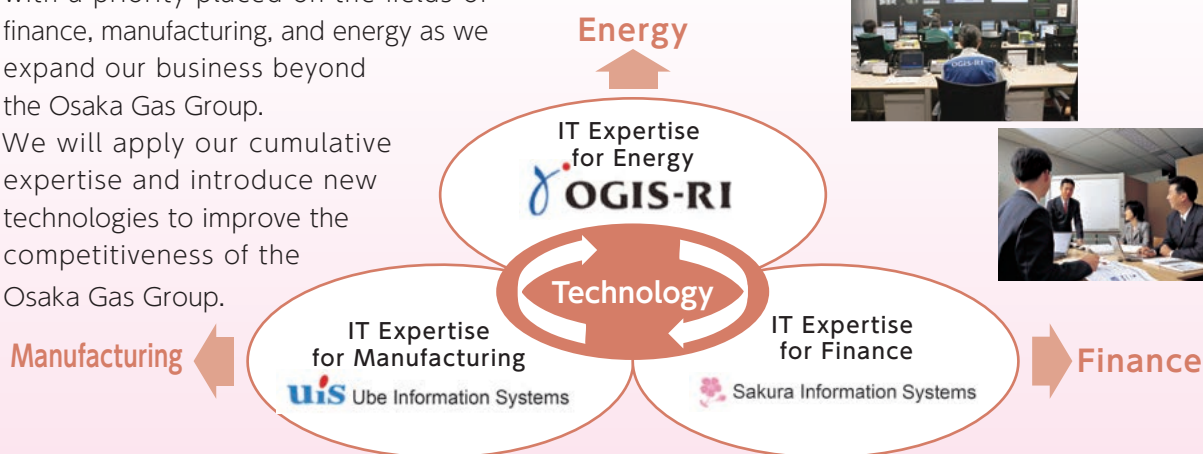
Through high-level innovation in information and communications technologies, we aim to be a corporate group that provides new value and grows sustainably with customers.



OGIS-RI Head Office

■ Key Strategies Through FY2020

- Our strategy is to differentiate ourselves with a priority placed on the fields of finance, manufacturing, and energy as we expand our business beyond the Osaka Gas Group.
- We will apply our cumulative expertise and introduce new technologies to improve the competitiveness of the Osaka Gas Group.



■ Current Situation

About the OGIS-RI Group

[OGIS-RI]

Established in 1983, it is the systems provider company of the Osaka Gas Group with extensive IT expertise in the energy industry.

[Sakura Information Systems]

Established in 1972, it is engaged in the construction and operation of key systems for the Sumitomo Mitsui Banking Corporation Group and has extensive expertise in the financial industry.

[Ube Information Systems]

Established in 1983, it provides systems construction and operation as a comprehensive information processing service company of the Ube Industries Group, and has IT technology in the manufacturing industry.

■ About the Fiscal Year Ended March 31, 2017

In the fiscal year ended March 31, 2017, earnings increased due to growth in providing new solutions and robust business in systems development for energy companies after the full deregulation of electricity and gas retail markets.

