

Life & Business Solutions (LBS Business)

What We Aim to Be in FY2031.3 and Summary of Current Situation

The Daigas 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 Daigas Group's earnings base as a stable source of earnings, particularly as crude oil prices and foreign exchange trends remain unclear.

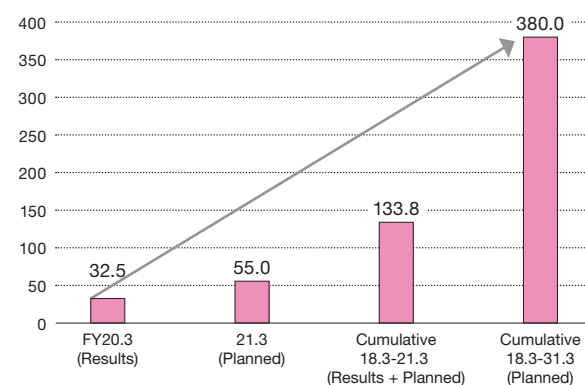
We plan to accelerate growth in three core business areas in Life & Business Solutions—Real Estate, Materials Solutions, and Information Solutions—aiming to consistently increase profits through fiscal 2031.3.

Results of Fiscal Year Ended March 31, 2020

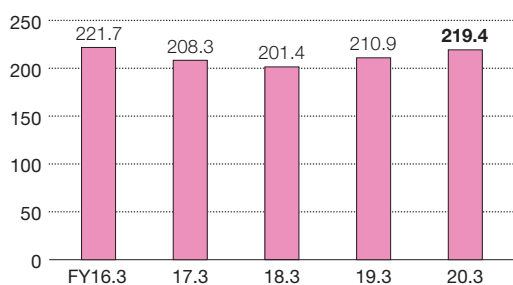
Net Sales ¥ **219.4** billion Segment Profit* ¥ **19.6** billion

* Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

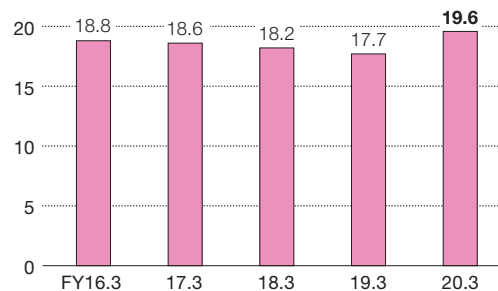
Growth Investment in LBS Business (billion yen)



Net Sales* (billion yen)



Segment Profit* (billion yen)



Note: Since FY1 9.3, Osaka Gas Engineering Co., Ltd. changed its segment from "Life & Business Solutions" to "Domestic Energy/Gas." FY1 8.3 results are calculated based on the contents after the change.

Since FY18.3, Sumisho Osaka Gas Water UK Limited, an equity-method affiliate, changed its segment from "Life & Business Solutions" to "International Energy Business." FY17.3 results are calculated based on the contents after the change.

Real Estate Business – Osaka Gas Urban Development Group

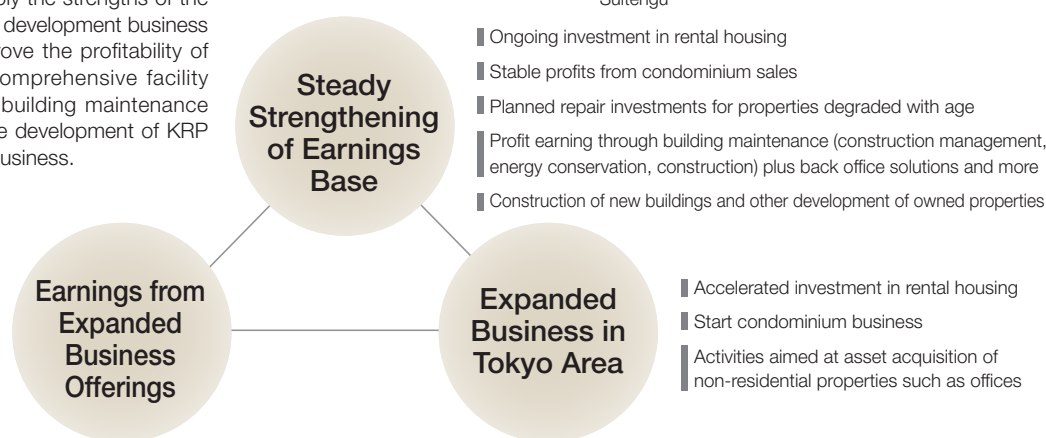
Business Overview and Characteristics

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.

Efforts Toward Sustainable Growth

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 Greater Tokyo area. Specifically, we will actively apply the strengths of the Daigas Group in the real estate development business to acquire new projects, improve the profitability of existing projects, propose comprehensive facility management services in the building maintenance business, and steadily promote development of KRP Bldg#10 in the research park business.

Quick selling of developed properties and other new business challenges



What We Aim to Be in FY2031.3

The 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 Greater Tokyo area.



Tsukaguchi



Nihombashi Suitengu



Kikukawa



Sanadayama

About the Osaka Gas Urban Development Group

Osaka Gas Urban Development Co., Ltd.

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

Osaka Gas Facilities Corporation (OGFA)

Osaka Gas Facilities Corporation 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 Corp. (KRP)

Kyoto Research Park Corp. 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.

Prime Estate Co., Ltd. (PE)

Prime Estate Co., Ltd., based in the Yokohama and Shizuoka areas, is engaged in real estate development, leasing, and sales brokerage, primarily from the Greater Tokyo area to the Tokai area.

Umekita Second Zone (Tentative Name) Development Project Begins

The plan for the Umekita Second Zone (tentative name) Development Project, in which Osaka Gas Urban Development Co., Ltd. participates, was confirmed in April 2020.

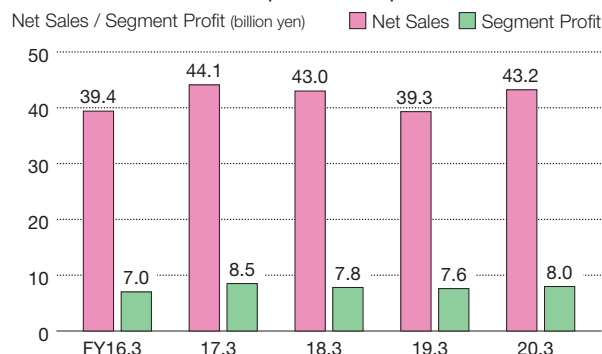
The project is founded on an urban development philosophy of fusing "midori (green)" and "innovation." We will engage in urban development in Umekita that will provide an example to Osaka, to the entire Kansai region, and to the world, and aim to achieve urban development that will lead to economic development not only in the Umekita area, but also in Osaka and the entire Kansai region.

About the Fiscal Year Ended March 31, 2020

In the fiscal year ended March 31, 2020, profits increased from the previous year due to an increase in the number of properties in the leasing business and an increase in the number of units sold in the built-for-sale housing business.

Osaka Gas Urban Development Group

Net Sales / Segment Profit (billion yen)



Materials Solutions Business – Osaka Gas Chemicals Group

□ Business Overview and Characteristics

We develop, manufacture and sell highly functional materials based on our own coal chemistry technologies and pharmaceutical- and agrochemical-related technologies. In 2014 we acquired Jacobi Carbons AB (Sweden) and are developing our business globally.

□ What We Aim to Be in FY2031.3

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.

□ Efforts Toward Sustainable Growth

We aim to establish a stable earnings base and achieve sustainable growth by developing and expanding sales of products with high added value in a diverse product offering, while also pursuing synergies and developing new markets.

We will also be working on substitutions in our business portfolio on a continuous basis to adapt to changes in the times.

Fine Materials

Development of various applications for fluorene with its excellent optical properties and heat resistance

Resins for camera lenses in smartphones and other devices, semiconductor materials, liquid crystal displays



Carbon Materials

Expanded sales of DONACARBO carbon fiber with its excellent heat insulation and abrasion resistance

Molded insulation for silicon manufacturing furnace for photovoltaic cells



Acoustic insulation material for train cars



Activated Carbon

Expanded global value chain through cooperation between the Jacobi Group and Osaka Gas Chemicals Co., Ltd.

Activated carbon for purification processes in food, alcohol and pharmaceutical manufacturing, air purifiers and water filters



Silica- and Alumina-based Materials

Expanded sales of adsorbents and additives and efforts toward developing new applications

Activated clay for petroleum and for refining cooking oil



Preservatives

Development of wood preservatives, industrial preservatives, industrial coating agents

Xyladecor wood preservative, Xylamon termiticide



□ About the Osaka Gas Chemicals Group

Osaka Gas Chemicals Co., Ltd.

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

Mizusawa Industrial Chemicals Group

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

Jacobi Carbons Group

An activated carbon producer established in Sweden in 1916, Jacobi Carbons AB does business in 21 countries. It joined the Daigas Group in 2014. Osaka Gas Chemicals Co., Ltd. and the Jacobi Group together form the second largest activated carbon producer in the world. (Based on Osaka Gas Chemicals Co., Ltd.'s FY2018.3 performance)

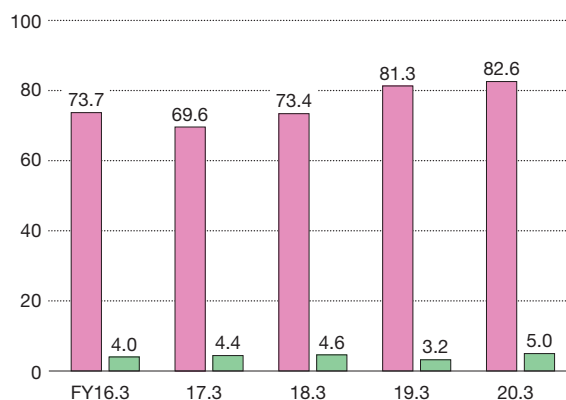
□ About the Fiscal Year Ended March 31, 2020

In the fiscal year ended March 31, 2020, profits increased from the previous year due to better profit margins in activated carbon, etc.

Osaka Gas Chemicals Group

Net Sales / Segment Profit (billion yen)

Net Sales Segment Profit



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 Co., Ltd. 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 FY2031.3

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.

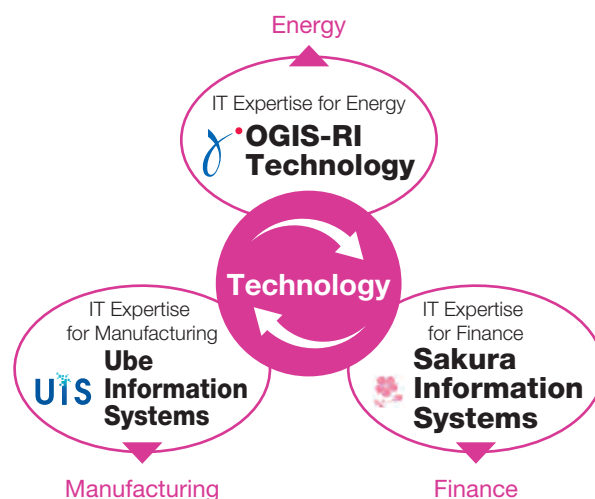


Head Office of OGIS-RI Co., Ltd.

Efforts Toward Sustainable Growth

Our strategy is to differentiate ourselves with a priority placed on the fields of finance, manufacturing, and energy as we expand service businesses for the domains of IoT, cloud technology, and authentication.

We will apply our cumulative expertise and introduce new technologies to improve the competitiveness of the Daigas Group.



About the OGIS-RI Group

OGIS-RI Co., Ltd.

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

Sakura Information Systems Co., Ltd.

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, Inc.

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, 2020

Segment profit for the fiscal year ended March 31, 2020 remained almost at the same level as the previous year.

OGIS-RI Group

Net Sales / Segment Profit (billion yen) ■ Net Sales ■ Segment Profit

