

Long-term Vision and Medium-term Business Plans of the Osaka Gas Group “Field of Dreams 2020”

March 13, 2009
Osaka Gas Co., Ltd.

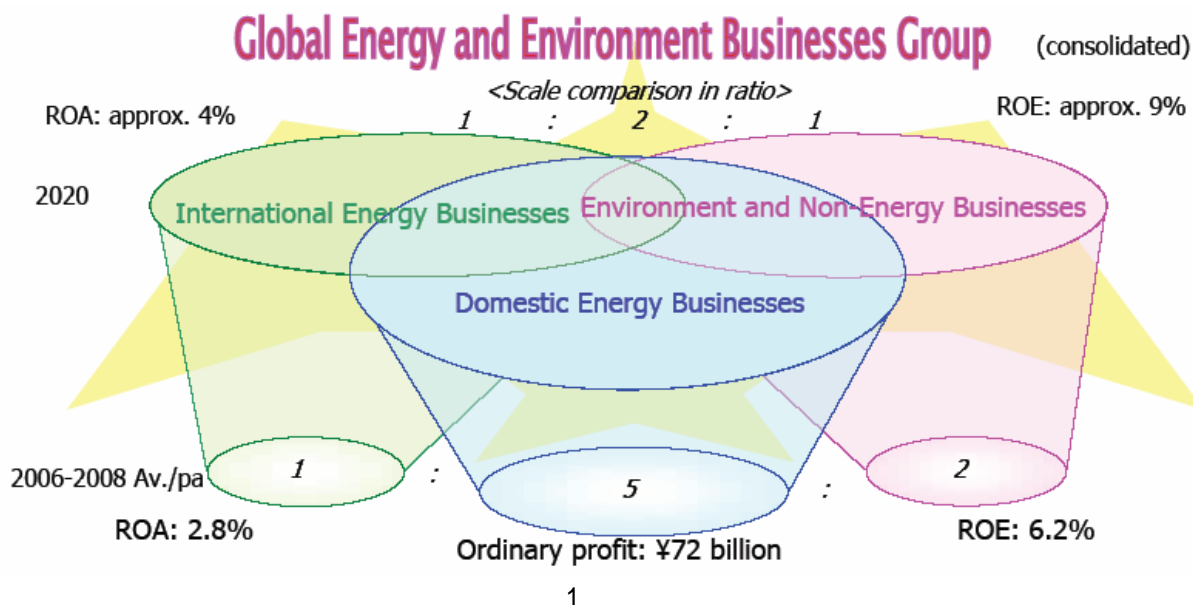
Osaka Gas Co., Ltd. (President: Hiroshi Ozaki) has worked out “Field of Dreams 2020,” which consists of a long-term vision that looks ahead to the year 2020 and the five-year medium-term business plans covering from fiscal year 2010.3 to fiscal year 2014.3 that aims at realizing the long-term vision. Under “Field of Dreams 2020,” the Company will promote restructuring of the Group’s business structure from a long-term viewpoint.

1. Osaka Gas Group is determined

The Osaka Gas Group is determined to achieve sustainable growth both at home and overseas in order to provide its customers with comfortable lifestyles friendly to the environment and solutions in their businesses. We will continuously strive to explore our potentials utilizing our versatile and rich business foundations, human resources, and technical expertise, nurtured through natural gas and energy business over the past century.

2. Osaka Gas Group in 2020

Putting into practice high quality management that continues to gain endorsements from all stakeholders, the Osaka Gas Group aims to be a global energy and environmental businesses group with solid foundations making progress in the field of; “Domestic energy businesses,” “International energy businesses along energy value chain,” and “Environment and non-energy businesses.”

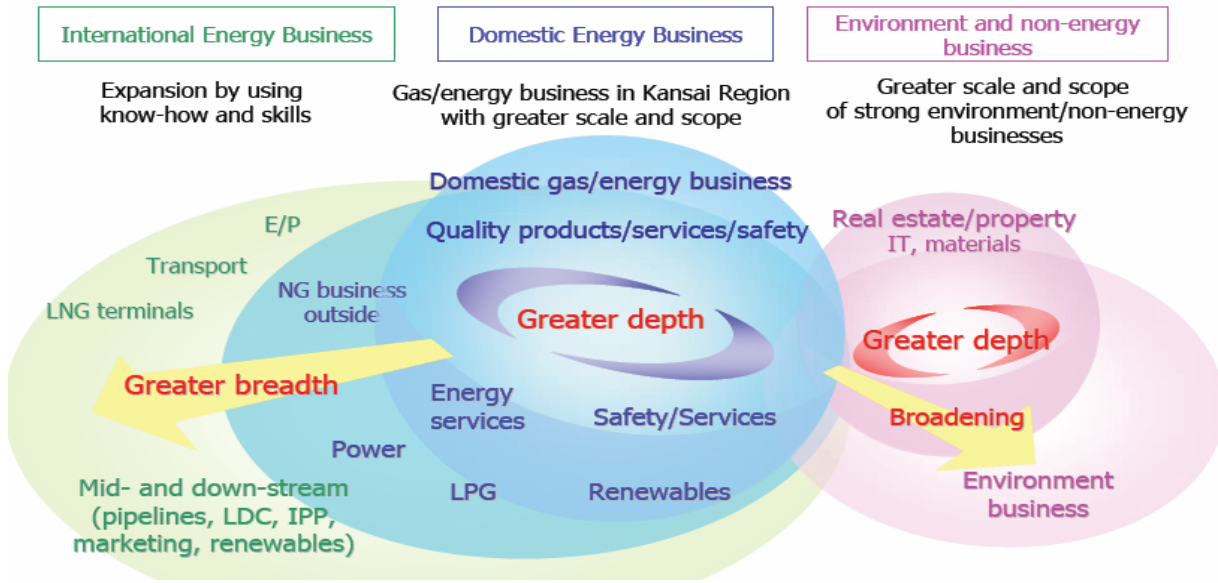


3. To realize our vision

The Osaka Gas Group will wrestle with broadening business fields and fortifying solid business foundations to strongly grow as a global energy and environmental businesses group.

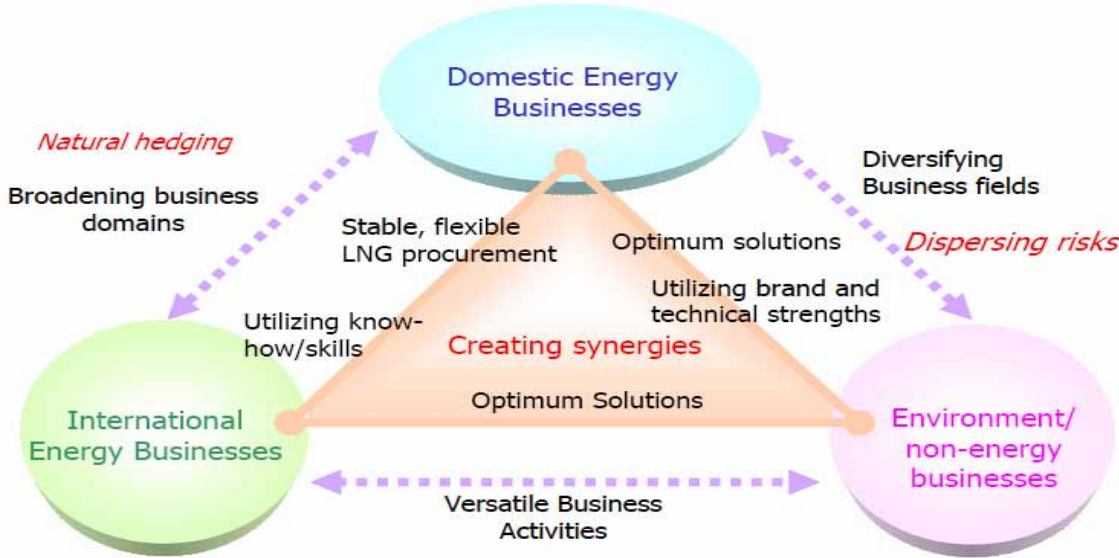
(1) Broadening business fields

The Osaka Gas Group will enlarge breadth and depth of fields in existing and new businesses. The Group aims to strongly grow as a whole by investing a total of ¥1.5 trillion over 12 years from fiscal year 2010.3 to fiscal year 2021.3 to broaden its business fields.



(2) Fortifying solid business foundations

The Osaka Gas Group will maximize group potential to establish a solid business foundations by creating synergies and dispersing risks among three business spheres, “Domestic energy businesses,” “International energy businesses,” and “Environment and non-energy businesses.”



4. Long-term targets

The Osaka Gas Group has the following long-term targets.

Item	Target levels
(1) Expansion of business fields	Pressing ahead with investments for growth and establishing three business pillars: “Domestic energy businesses,” “International energy businesses,” and “Environment and non-energy businesses” [Aiming to increase profit from businesses other than gas to the same level as the gas business in the Kansai region by around fiscal year 2014.3.]
(2) Contribution to environmental preservation	Actively contributing to reduction of burdens on the global environment by expanding the use of environment-friendly natural gas, proposing high energy efficient equipment and systems such as fuel cells and co-generation, proposing energy conservation, and engaging in environmental businesses such as renewable energy.
(3) Enhancement of corporate and business quality	Fully responding to increasing society’s expectations (commitment level and information disclosure), aiming to achieve a high level of CSR as an excellent company contributing to living conditions, business environment, and overall society.
(4) Enhancement of corporate value	<p data-bbox="592 1115 1415 1335">Continuously striving for improvement of profitability with long-term targets: consolidated ROA of around 4% and consolidated ROE of around 9%. [Aiming to achieve consolidated ROA of around 3.5% and consolidated ROE of around 8% by fiscal year 2014.3.]</p> <p data-bbox="592 1335 1415 1742">Setting the continuation of stable dividend payout as a basic policy, deciding after comprehensively considering other measures for return of profit to shareholders with business performance and future management plan in mind. Aiming to achieve consolidated payout ratio of more than 30% within distributable surplus profit amount of Osaka Gas, excluding short-term profit change factors. [Flexibly carrying out share buybacks if financial situation and cash flows allow after making investments for growth.]</p> <p data-bbox="592 1742 1415 1919">Conducting quantitative risk management and maintaining capital adequacy ratio of more than 40% and D (interest bearing debt) / E (shareholders’ equity) ratio of around 1 over medium- and long-term periods.</p>
(i) Enhancement of efficiency of assets and capital	
(ii) Return to shareholders	
(iii) Maintenance of soundness of balance sheets	

*ROA = Net Income ÷ Total Assets, ROE = Net Income ÷ Shareholders’ Equity

The Osaka Gas Group continues to seek business opportunities in various areas at home and abroad and grow with employees to contribute to preservation of the global environment, improvement of customers' living conditions and business development through realization of the Group's vision and plan.

* Please refer to the attached documents for details of the Long-term Vision and Medium-term Business Plans of the Osaka Gas Group.