



October 28th, 2021

Notice Regarding the Reduction of Cross-shareholdings Stocks (Including NICIGAS' Stocks Owned by Other Companies)

Company name: NIPPON GAS CO., LTD.

Code number: 8174

Stock exchange listing: Tokyo Stock Exchange

Representative: Shinji Wada, Representative Director, Chief Executive Officer

Contact: Shinichi Kiyota, Managing Executive Officer

Nippon Gas Co., Ltd. (“NICIGAS”) hereby announces the reduction of Cross-shareholdings stocks during the first half of the financial year ending March 31st, 2022 (“FYE 03/22”) (April 1st, 2021 - September 30th, 2021).

1. Rationale for the Reduction of Cross-shareholdings Stocks

NICIGAS plans to complete the entire reduction of Cross-shareholdings stocks in the FYE 03/22.

NICIGAS started to review its Cross-shareholdings stocks in the FYE 03/17 and reduced Cross-shareholdings stocks owned by business companies, and then expanded the scope to financial institutions that had significant Cross-shareholding with NICIGAS. During the FYE 03/21, NICIGAS also reduced Cross-shareholdings stocks in the relevant gas related business.

The initiative is based on NICIGAS' strong belief that Cross-shareholdings stocks owned by NICIGAS prevents an effective asset management, and that the reduction of NICIGAS stocks owned by Cross-shareholdings stocks owned counterparties as Cross-shareholdings stocks would bring further discipline to its management.

2. Results of the Reduction during the First Half of the FYE 03/22 (April 1st, 2021 - September 30th, 2021)

NICIGAS sold 51 thousands financial institutions' stocks in the market. In addition, 3,187 thousands (*) NICIGAS' stocks owned by financial institutions were sold in the market.

(*) NICIGAS split its ordinary share three-for-one on April 1st, 2021. The number of NICIGAS' stocks is after the Stock Split.

3. Plan to Reduce Cross-shareholdings Stocks during the Second Half of the FYE 03/22 (October 1st, 2021 - March 31st, 2022)

NICIGAS plans to complete the entire reduction of Cross-shareholdings stocks.

4. Impact on NICIGAS' Financial Result

The impact from the reduction of Cross-shareholdings stocks on NICIGAS' consolidated financial performance for the FYE 03/22 is not expected to be material.