



November 25th, 2021

Notice on Board of Directors' Resolution regarding Selection of the "Prime Market" under Tokyo Stock Exchange's New Market Segments

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 that its Board of Directors Meeting held today made a resolution to select and to apply for the "Prime Market" of the new market segment of Tokyo Stock Exchange ("TSE").

NICIGAS places great emphasis on dialogues with the capital market and continuously reforms its governance to create a better structure for improving its corporate value. In particular, in the reduction of cross-shareholdings stocks¹, which it began in 2016, NICIGAS has determined to place itself in a severe environment by selling not only cross-shareholdings that NICIGAS owned but also NICIGAS' stocks owned by counterparties. In addition, NICIGAS recognizes that deepening internal discussions by incorporating the honest opinions from the capital market will lead to further improvement of its corporate value, and positive dialogues with the capital market, such as IR meetings of approximately 250 times a year, have stimulated its internal discussions for its medium- and long-term growth.

The Prime Market, which NICIGAS has selected, is a market for companies that have high level of governance and engage in constructive dialogue with global investors, and is a market where NICIGAS can expect inflow of funds from a wider range of investors, including index funds. NICIGAS believes that listing on the Prime Market and continuing to work for the higher level of governance and information disclosure required for companies to be listed on the Prime Market (including English disclosure) will bring the enhancement of its corporate value over the medium- and long-term. Moreover, by listing on the Prime Market, NICIGAS will engage in constructive dialogues with more global investors, thereby stimulating internal discussions based on a global perspectives and improving its corporate value.

NICIGAS received the "Results of the Initial Assessment of its Compliance with the Listing Criteria for the New Market Segment" from TSE on July 9th, 2021, and confirmed its compliance with the listing criteria for the Prime Market. NICIGAS will proceed with the prescribed procedures related to the application for the selection of the new market segment in accordance with the schedule set by TSE.

¹ NICIGAS plans to complete the entire reduction of all cross-shareholdings, including NICIGAS' stock owned by counterparties, as well as cross-shareholdings stocks owned by NICIGAS, during FYE 03/22.