



January 27th, 2022

Notice Regarding the Completion of Disposition 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 completion of disposition of all Cross-shareholdings stocks including NICIGAS' stocks owned by other companies, in accordance with the capital policy disclosed on April 27th, 2021.

1. Rationale for the disposition of Cross-shareholdings Stocks

NICIGAS has a policy not to hold its Cross-shareholdings stocks in principle, based on the Practical Guidelines for Corporate Governance Systems. In line with this policy, NICIGAS has reduced Cross-shareholdings stocks. In addition, NICIGAS has also reduced NICIGAS' stocks owned by counterparties as Cross-shareholdings stocks since it strongly believes that the reduction would bring further discipline to its management and would improve its medium- to long-term Corporate Value.

2. Progress of the Disposition

NICIGAS started to review its Cross-shareholdings stocks in the FYE 03/17 and started to reduce Cross-shareholdings stocks with non-financial/non-gas-related corporations. Subsequently, it extended the scope to financial institutions that had significant Cross-shareholding with NICIGAS, and also extended to the relevant gas-related corporations in the FYE 03/21. As a result, during the past 5 years from the FYE 03/18 to the FYE 03/22, NICIGAS has sold 18 Cross-shareholdings stocks. In addition, 36 millions of NICIGAS' stocks owed by counterparties, which is equivalent to one third of its issued shares of c.115 million (excluding its treasury stocks), were sold. Consequently, the portion of tradable shares* is raised by more than 20% during the 5 years from the FYE 03/18 to the FYE 03/22.

*Tradable shares after reviewing the definition at "Development of Listing Rules for Cash Equity Market Restructuring (second set of revisions)".

3. 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.