



April 27th, 2022

## **Notice Regarding the Capital Policy for FYE 03/23**

### **(Dividend Increase, and Repurchase and Cancellation of Treasury Stocks)**

**(Repurchase of Treasury Stocks in Accordance with the Article of Incorporation under Article 165-2 of the Companies Act, and the Cancellation of Treasury Stocks in Accordance with the Article 178 of the Companies Act)**

Company name: NIPPON GAS CO., LTD.

Code number: 8174 (Tokyo Stock Exchange Prime Market)

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 on 1) the increase of FYE 03/23 full-year dividend per share (forecast) by 15 yen to 65 yen, 2) the repurchase of treasury stocks of up to 3.5 billion yen, and 3) the cancellation of 2,000,000 treasury stocks that NICIGAS currently holds, respectively.

NICIGAS has set return on equity (ROE) as the most important financial KPI, and has been maintaining capital policy of “not holding unnecessary shareholders’ equity” thoroughly, in order to enhance ROE, through improving return on invested capital (ROIC). For the left side of the balance sheet, maintaining its total asset size, NICIGAS has been shifting the composition of its asset by increasing the higher profit generating asset with decreasing the lower profit generating asset, in order to improve the efficiency of its invested capital. For the right side of the balance sheet, according to the above capital policy, NICIGAS has set a target level for capital-to-asset ratio, based on the business environment.

For FYE 03/23, there is no change in the capital policy and NICIGAS will continue to maximize return to shareholders, while enhancing return on its assets. NICIGAS forecasts 11.0 billion yen of Net Income and 11.0 billion yen of total shareholders’ return. Based on the forecast of profit increase for 4 consecutive years, NICIGAS will increase dividend by 1.5 billion yen from last fiscal year to 7.5 billion yen, and maintain repurchase amount of 3.5 billion yen.

All members of the management and employees of NICIGAS are committed to sustainable growth of Enterprise Value as well as the efforts for enhancement of return to shareholders. We highly appreciate your continuous support to NICIGAS.

### 1. Outline of dividend

Base date	Dividend per Share (yen)		
	Interim	Year-end	Total
FYE 03/23 (forecast)	32.50 yen	32.50 yen	65.00 yen
FYE 03/22	25.00 yen	25.00 yen	50.00 yen

### 2. Details of the share to be repurchased

(1) Class of shares to be repurchased	Ordinary shares
(2) Total number of shares to be repurchased	2,700,000 shares (maximum) (Equivalent to 2.4% of outstanding shares, excluding treasury stocks)
(3) Total repurchase amount	3.5 billion yen (maximum)
(4) Repurchase period	From April 28th, 2022 to March 31st, 2023
(5) Repurchase method	Market purchases at the Tokyo Stock Exchange

### 3. Details of the cancellation of treasury stocks

(1) Class of shares to be cancelled	Ordinary shares
(2) Total number of shares to be cancelled	2,000,000 shares (Equivalent to 1.7% of outstanding shares, including treasury stocks)
(3) Effective date of the cancellation	May 19th, 2022

(Reference Info.) Treasury stocks held as of March 31st, 2022

Total number of outstanding shares (excluding treasury stocks)	115,059,082 shares
Number of treasury stocks (*)	3,544,616 shares

(\*) The number of treasury stocks includes 1,426,053 shares of treasury stocks held by the board incentive plan (BIP Trust).