



May 25th, 2023

Regarding Our Response to the Notice of Administrative Action from the Consumer Affairs Agency

Company name: NIPPON GAS CO., LTD.

Code number: 8174 (Tokyo Stock Exchange Prime Market)

Representative: Kunihiko Kashiwaya, Representative Director, Chief Executive Officer

Contact: Shinichi Kiyota, Senior Managing Executive Officer

Nippon Gas Co., Ltd. (“NICIGAS”) hereby announces that it received a notice from the Consumer Affairs Agency of an administrative action, such as suspension of door-to-door sales to execute service contracts for three months. This announcement is to inform you of the progress of announcement provided in “Regarding Our Response to the Notice of Scheduled Administrative Action from the Consumer Affairs Agency (URL: <https://ssl4.eir-parts.net/doc/8174/tdnet/2262897/00.pdf>)” released on April 14th, 2023, and the contents of the disposition received yesterday (the “Disposition”) is the same as the Scheduled Administrative Action received in April.

The Consumer Affairs Agency refers to six violations resulting from NICIGAS’ outsourced door-to-door sales agents, among approximately 220,000 applications for electricity and gas through all channels signed up between March 2021 and March 2022.

The Disposition prescribes that (1) NICIGAS will suspend door-to-door sales related to service contracts for a period of three months from today (May 25th, 2023) to August 24th, 2023, and (2) NICIGAS will notify customers who newly contracted through door-to-door sales between February 1st, 2022 and May 23th, 2023 of the contents of the Disposition, etc.

The Disposition covers NICIGAS’ business related to door-to-door sales to execute service contracts, and NICIGAS will continue to provide services such as visits to customers at their request for explanations, acceptance of new electricity and gas applications and contracts via telephone and the Internet, emergency response, equipment repair and replacement, etc. There will be no impact on our existing electricity and gas customers as a result of the Disposition. We sincerely apologize for any concern or inconvenience the Disposition may have caused to our customers.

NICIGAS has always paid utmost attention to compliance. Furthermore, after the investigation by the Consumer Affairs Agency last year, it promptly re-examined its compliance system to improve sales quality and measures to prevent inappropriate behavior by outsourced door-to-door sales agents, and introduced and implemented all improvement and enhancement measures deemed appropriate and necessary by the end of March 2023.

The information that was unclear at the time of receipt of the notice of scheduled administrative action has mostly been confirmed in detail through subsequent procedures. Specifically, in the six cases of violations referred to, all service contracts were swiftly canceled in response to customers’ confirmation, without any actual energy provision to those customers. Of the six cases in which customers applied for contracts, no customer has incurred any financial damage in relation to NICIGAS.

NICIGAS takes the notice from the Consumer Affairs Agency seriously and will pay further attention to compliance matters. On the other hand, NICIGAS intends to assert its opinion appropriately, including legal proceedings, where there are differences of opinion on the facts and the content of the disciplinary action.

We expect no significant impact on our financial position due to this matter. We will continuously and timely update on any significant changes and development of this case.