



July 27th, 2023

Notice Regarding Repurchase of the Company's Own Shares

**(Repurchase of Company's Own Shares in Accordance with the Article of Incorporation
pursuant to Article 165-2 of the Companies Act)**

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 its Board of Directors Meeting held today made a resolution on the repurchase of its own shares, pursuant to Article 156 of the Companies Act of Japan as modified by the provision of Article 165, Paragraph 3 of the same Act.

1. Reason of the Repurchase of the Company's Own Shares

NICIGAS has set return on equity (ROE) as its most important financial KPI, and in order to increase ROE, it has been thoroughly implementing a capital policy of "not holding unnecessary shareholders' equity" while striving to improve return on invested capital (ROIC). On the asset side, it has been raising overall profitability by replacing lower profit generating assets with higher profit generating assets, without largely expanding the total amount. On the financing side, it determines an appropriate capital-to-asset ratio based on business conditions, and does not hold unnecessary shareholders' equity.

There will be no change in this capital policy in the fiscal year ending March 31st, 2024. During the three years beginning this fiscal year, NICIGAS plans to further enforce this approach and optimize capital-to-asset ratio by reducing it from 48% in the fiscal year ended March 31st, 2023 to 40% in the fiscal year ending March 31st, 2026. NICIGAS recognizes that the improvement of corporate value is achieved by not holding unnecessary shareholders' equity while increasing the return on assets. NICIGAS will continue to develop a capital policy that will be supported by the shareholders.

2. Details of the share to be repurchased

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	2,000,000 shares (maximum) (Equivalent to 1.8% of outstanding shares, excluding treasury stocks)
(3) Total repurchase amount	3.0 billion yen (maximum)
(4) Repurchase period	From July 28th, 2023 to October 31st, 2023
(5) Repurchase method	Market purchases at the Tokyo Stock Exchange

(Reference Info.) Treasury stocks held as of June 30th, 2023

Total number of outstanding shares (excluding treasury stocks)	113,923,343 shares
Number of treasury stocks (*)	1,393,755 shares

(*) The number of treasury stocks includes 1,280,064 shares of treasury stocks held by the board incentive plan (BIP Trust).