

February 1st, 2024



## **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: Kunihiro 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 asset amount. On the financing side, it sets an appropriate capital-to-asset ratio based on business conditions, and does not hold unnecessary shareholders' equity.

During the three years from this fiscal year, further developing this policy, NICIGAS plans to 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. As a capital policy toward this plan, NICIGAS announced it would increase its dividend per share from 65 yen to 75 yen in April, and in July it set a limit of 3 billion yen for the repurchase of its own shares, of which 2.4 billion yen was purchased. Announcement at this time follows these initiatives and is a buyback of its own shares. NICIGAS recognizes that the improvement of corporate value is achieved by increasing profit, while not holding unnecessary shareholders' equity with enhancement of 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	1,800,000 shares (maximum) (Equivalent to 1.6% of outstanding shares, excluding treasury stocks)
(3) Total repurchase amount	3.5 billion yen (maximum)
(4) Repurchase period	From February 2nd, 2024 to July 31st, 2024
(5) Repurchase method	Market purchases at the Tokyo Stock Exchange

(Reference Info.) Treasury stocks held as of December 31st, 2023

Total number of outstanding shares (excluding treasury stocks)	112,864,297 shares
Number of treasury stocks (*)	2,452,801 shares

(\*) The number of treasury stocks includes 1,264,805 shares of treasury stocks held by the board incentive plan (BIP Trust).