April 25th, 2019

# Notice regarding Repurchase and Cancellation of Treasury Stock

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

Company name: NIPPON GAS CO., LTD.
Ticker Code: 8174
URL: http://www.nichigas.co.jp/
Stock exchange listing: Tokyo Stock Exchange
Representative: Shinji Wada, President and Representative Director
Contact: Shinichi Kiyota, Director

Nippon Gas Co., Ltd. ("NICIGAS") hereby announces that its Board of Directors Meeting held today made a resolution for the Repurchase and Cancellation of Treasury Stock, as per Article 165-3, Article 156, and Article 178 of the Companies Act. The details are as follows;

**1. Reason for the Repurchase of Treasury Stock**

NICIGAS decided the repurchase of its treasury stock to enhance the return to shareholders and to improve its capital efficiency, based on its strong balance sheet to support the growth strategy.

**2. Details of the share repurchase**

| | | |
|---|---|---|
| (1) | Class of shares to be repurchased | Common shares |
| (2) | Total number of shares to be repurchased | 1,650,000 shares (maximum) (Equivalent to 4.0% of outstanding shares, excluding treasury stock) |
| (3) | Total repurchase amount | 5 billion yen (maximum) |
| (4) | Repurchase period | From May 1st, 2019 to April 30th, 2020 |
| (5) | Repurchase method | Market purchases at Tokyo Stock Exchange |

**3. Details of the Cancellation of Treasury Stock**

| | | |
|---|---|---|
| (1) | Class of shares to be canceled | Common shares |
| (2) | Total number of shares to be cancelled ※ | 1,200,000 shares (Equivalent to 2.8% of outstanding shares including treasury stock) |
| (3) | Effective date of the cancellation | May 21st, 2019 |

Note: While NICIGAS repurchased 1,250,000 shares based on board resolution on October 25th, 2018, total number of shares to be cancelled would be 1,200,000 shares. NICIGAS will keep holding the rest of 50,000

shares to use for Stock-based compensation with restriction of transfer which will be distributed to its group employees.

(Reference Info.) Treasury stock held as of March 31st, 2019

| | |
|---|---|
| Total number of shares issued (excluding treasury stock) | 41,475,134 shares |
| Number of Treasury Stock※ | 1,498,332 shares |

Note: The number of Treasury Stocks includes 248,107 shares of the Company held by the “Directors’ Compensation BIP (Board Incentive Plan) Trust”.