Notice Regarding the Sales of Cross-shareholdings Stocks

October 31, 2019

Company name: NIPPON GAS CO., LTD.
Code number: 8174
URL: http://www.nichigas.co.jp/
Stock exchange listing: Tokyo Stock Exchange
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Nippon Gas Co., Ltd. ("NICIGAS") hereby announces that it sold 469 thousands stocks owned as Cross-shareholding Stocks during the 1st half of Fiscal Year ending March 31, 2020 (FYE 03/20) (April 1, 2019 - September 30, 2019). Most of stocks NICIGAS sold were stocks of financial institutions. In addition, 2,099 thousands of NICIGAS' stocks, mainly owned by financial institutions, were sold in the market during the same period.

NICIGAS has a policy to reduce its Cross-shareholdings Stocks upon its own initiatives, when the purpose to hold stock does not comply with NICIGAS' internal criteria which is in accordance with the Corporate Governance Code and in line with this policy, it has been disposing Cross-shareholding stocks since 2017. In addition, NICIGAS also has a policy to reduce NICIGAS' stocks owned by counterparties as Cross-shareholdings Stocks as it is believed that reducing Cross-shareholding stocks would bring further discipline to its management, positive impact on enhancing market liquidity, and would ultimately improve its Enterprise Value.

During the 1st half of FYE 03/20, NICIGAS has been continuously discussing with financial institutions and it disposed 469 thousands stocks, while 2,099 thousands of NICIGAS' stocks mainly owned by financial institutions were sold in the market, as a result. NICIGAS will continue to discuss with financial institutions and other counterparties in order to further dispose the Cross-shareholding stocks during the 2nd half of FYE 03/20.

The impact from transactions during the 1st half of FYE 03/20 on NICIGAS' consolidated financial performance for FYE 03/20 is not expected to be material.