April 30th, 2020

Notice Regarding the Sales of Cross-shareholdings Stocks during FYE 03/20 and a Policy for FYE 03/21

Company name: NIPPON GAS CO., LTD.
Code number: 8174
Stock exchange listing: Tokyo Stock Exchange
Representative: Shinji Wada, President and Representative Director
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Nippon Gas Co., Ltd. ("NICIGAS") hereby announces the result of the reduction of Cross-shareholdings Stocks during FYE 03/20 (the "Transaction") and a policy for the reduction during FYE 03/21.

1. Rationale for the Reduction of Cross-shareholdings Stocks

NICIGAS has a policy not to hold its Cross-shareholdings Stocks in principle based on the Practical Guidelines for Corporate Governance Systems. In line with this policy, it has been reducing 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.

2. Summary of the Transaction

3,194 thousands NICIGAS stocks owned by financial institutions were sold in the market during FYE 03/20, of which 1,095 thousands stocks were sold in the 2nd half of FYE 03/20. In addition, NICIGAS sold 718 thousands financial institutions' stocks during FYE 03/20, of which NICIGAS sold 249 thousands stocks in the 2nd half of FYE 03/20. The Transaction did not affect the composition of NICIGAS' major shareholders.

3. A Policy for the Reduction of Cross-shareholdings Stocks during FYE 03/21

NICIGAS will continue to review the purpose and policy of Cross-shareholdings Stocks with financial institutions and other counterparties and further dispose the stocks.

4. Impact on NICIGAS' Financial Results

The impact from the reduction of Cross-shareholding stocks on NICIGAS' consolidated financial performance for FYE 03/21 is not expected to be material.