January, 28th, 2025

Notice Regarding Repurchase of the Company's Own Shares

(Repurchase of Company's Own Shares pursuant to 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, Corporate Headquarters, General Manager

Nippon Gas Co., Ltd. ("NICIGAS") hereby announces that its Board of Directors meeting held on January 28th, 2025 made a resolution on the repurchase its own shares pursuant to Article 156 of the Companies Act of Japan, as pursuant to the the provisions of Article 165, Paragraph 3 of the same Act whose terms are to be replaced. Details of the repurchase are as follows:

1. The reason for the repurchase

NICIGAS has set 'Return on Equity' (ROE) as its most important financial KPI. Therefore, 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). Concretely, in regard to asset side, NICIGAS has been raising overall profitability by replacing lower profit generating assets with higher profit generating assets, at the same time without largely expanding the total asset amount. While on the financing side, NICIGAS sets an appropriate capital-to asset ratio based on business condition and returns unnecessary shareholders' equity to shareholders.

During the three‐year plan from FYE 03/24 to FYE 03/26, with the aim to increase the value of Shareholder Equity, NICIGAS is proceeding the optimization of capital structure by reducing capital-to-asset ratio from 48% (FYE 03/23) to 40% (FYE 03/26). Furthermore, NICIGAS plans to achieve a total return of more than 100% to net income over three years plan, and underway with return in line with this. Regarding dividend, NICIGAS plans an annual dividend of 92.5 yen per share (an increase of 17.5 yen over the previous year) for FYE 03/25, while at the same time announced an annual dividend of over 100 yen for FYE 03/26. On the other hand, share buyback for FYE 03/25 is 30 billion reported in June and purchased until maximum price. This January 28th, 2025 notice is on the additional repurchase for the company's own shares following aforementioned share buyback.

NICIGAS recognizes that the improvement of corporate value is achieved by not only profit growth, but enhance the return on assets while not holding unnecessary shareholders' equity. NICIGAS will continue to make further effort in developing a capital policy that will be supported by shareholders.

2. Details of the matters related to the share to be repurchased

(1)	Class of shares to be repurchased	Common shares
(2)	Total number of shares to be repurchased	1,700,000 shares (maximum) (Equivalent to 1.5% of outstanding shares, excluding treasury stocks)
(3)	Total repurchase amount	3.0 billion yen (maximum)
(4)	Repurchase period	From 29th, January 2025 to 30th, April 2025
(5)	Repurchase method	Market purchases at the Tokyo Stock Exchange

(Reference Info.) Treasury stocks held as of 31st, December 2024

Total number of outstanding shares (excluding treasury stocks)	110,372,266 shares
Number of treasury stocks (*)	2,454,932 shares

(*) The stated information for the number of treasury stocks includes 1,091,022 shares of treasury stocks held by the Board Incentive Plan (BIP Trust).