



October 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, General Manager of Corporate Headquarters

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

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 assets with higher profit assets, at the same time without significantly 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 period of three-year plan from FYE 03/24 to FYE 03/26, NICIGAS has set its target capital-to-asset ratio of 40%, implementing shareholder returns using current net income and deemed excess of shareholders' equity, and have been gradually reducing the equity ratio from 48% recorded in FYE 03/23. The share buyback of 9.0 billion yen at this moment, as to the final stage to optimize capital-to-asset ratio from what NICIGAS planned for the three-year plan, is part of the planned total share buyback of 20.9 billion yen in 3 years.

Taken into account of the financial base and the current FCF, throughout the pursuit of capital-to-asset ratio that maximizes shareholder value, NICIGAS projects a total return ratio of 145% for the current fiscal year. The LP Gas industry is entering a major phase of consolidation, and expected to have capital needs in the near future. However, even if that is the case, NICIGAS' financial base is deemed strong enough to adequate fund-raising. Thus, NICIGAS decided to establish the share buyback program to reduce shareholder's equity.

NICIGAS recognizes that the enhancement of corporate value is achieved by not only profit growth, but also increasing 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	4,000,000 shares (maximum) (Equivalent to 3.7% of outstanding shares, excluding treasury stocks)
(3) Total repurchase amount	9.0 billion yen (maximum)
(4) Repurchase period	From 29 th October 2025 to 31 st March 2026
(5) Repurchase method	Market purchases on the Tokyo Stock Exchange

(Reference Info.) Treasury stocks held as of 30th, September 2025

Total number of outstanding shares (excluding treasury stocks)	108,741,184 shares
Number of treasury stocks (*)	4,086,014 shares

(*) The stated number of treasury stocks includes 1,364,316 shares of treasury stocks held by the Board Incentive Plan (BIP Trust).