



April 27th, 2021

Notice Regarding the Capital Policy for FYE 03/22

(Dividend Increase, and Repurchase and Cancellation of Treasury Stocks)

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

Company name: NIPPON GAS CO., LTD.

Code number: 8174

Stock exchange listing: Tokyo Stock Exchange

Representative: Shinji Wada, Representative Director, Chief Executive Officer

Contact: Shinichi Kiyota, Executive Officer

Nippon Gas Co., Ltd. (“NICIGAS”) hereby announces that its Board of Directors Meeting held today made a resolution on 1) the increase of FYE 03/22 full-year dividend per share (forecast) by 8.3 yen to 50 yen (when converted into the forecast of full-year dividend per share before the stock split, this forecast represents an effective increase in dividend of 25 yen per share to 150 yen per share), 2) the repurchase of treasury stocks of up to 4.0 billion yen, and 3) the cancellation of 1,987,800 treasury stocks that NICIGAS currently holds, respectively.

NICIGAS has been maintaining capital policy of “not holding unnecessary shareholders’ equity” thoroughly, in order to enhance return on equity (ROE), through improving the rate of return on assets. Specifically, in order to improve the efficiency of the assets, NICIGAS has been shifting the composition of its asset to “high profit generating asset (LP Gas and ICT)” by divesting “low profit generating asset”, etc., without expansion of its total asset size. It resulted in an improvement of return on assets. In addition, for not holding unnecessary shareholders’ equity, it has set a target level for capital-to-asset ratio, based on the business environment and it returns additional equity to shareholders by means of dividend and stock repurchase, when capital-to-asset ratio exceeds the appropriate level.

For FYE 03/22, there is no change in the capital policy and NICIGAS will continue to maximize return to shareholders, while enhancing the rate of return on assets. NICIGAS is forecasting 10.0 billion yen of Net Income and 10.0 billion yen of total shareholders’ return (6.0 billion yen of dividend and 4.0 billion yen of stock repurchase). Based on the forecast of profit increase for 3 consecutive years, it will increase dividend by 1.0 billion yen to 6.0 billion yen, and repurchase amount by 0.5 billion yen to 4.0 billion yen from last fiscal year, respectively.

All members of the management and employees of NICIGAS are committed to sustainable growth of Enterprise Value as well as the efforts for enhancement of return to shareholders. We highly appreciate your continuous support to NICIGAS.

1. Outline of dividend

Base date	Dividend per Share (yen)		
	Interim	Year-end	Total
FYE 03/22 (forecast)	25.00 yen	25.00 yen	50.00 yen
FYE 03/21	20.83 yen	20.83 yen	41.66 yen

*NICIGAS split its ordinary share three-for-one on April 1st, 2021. Dividend per share for FYE 03/21 is calculated on the assumed share split at the beginning of FYE 03/21.

2. Details of the share to be repurchased

(1)	Class of shares to be repurchased	Ordinary shares
(2)	Total number of shares to be repurchased	2,000,000 shares (maximum) (Equivalent to 1.7% of outstanding shares, excluding treasury stocks)
(3)	Total repurchase amount	4.0 billion yen (maximum)
(4)	Repurchase period	From April 28th, 2021 to March 31st, 2022
(5)	Repurchase method	Market purchases at the Tokyo Stock Exchange

3. Details of the Cancellation of Treasury Stocks

(1)	Class of shares to be cancelled	Ordinary shares
(2)	Total number of shares to be cancelled	1,987,800 shares (Equivalent to 1.7% of outstanding shares, including treasury stocks)
(3)	Effective date of the cancellation	May 20th, 2021

(Reference Info.) Treasury Stocks held as of March 31st, 2021

Total number of outstanding shares (excluding treasury stocks) (*1)	116,998,992 shares
Number of treasury stocks (*1) (*2)	3,592,506 shares

(*1) NICIGAS split its ordinary share three-for-one on April 1st, 2021. The number of outstanding shares and treasury stocks is after the share split.

(*2) The number of treasury stocks includes 1,474,194 shares of treasury stocks held by the board incentive plan (BIP Trust).