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The corporate governance of NIPPON GAS Co., Ltd. (the "Company") is described below.

# I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

## 1. Basic Views

Nippon Gas Group (the "Group") believes that its initiatives to enhance sustainable corporate value based on the management philosophy will build relationships of trust with and meet the expectations of its stakeholders, including shareholders, investors, customers, business partners, employees, local communities. Based on this approach, the Group seeks to interactively communicate with the stakeholders and to build a corporate governance system that is effective as the basis for ensuring transparency of its management. The Group believes that constructive dialogue with shareholders and investors is particularly important for enhancing corporate value over the medium- to long-term. Therefore, the Group strives to understand the perspectives of shareholders and investors and take appropriate actions.

For the Company's management philosophy, refer to [Principle 2-1] (Formulation of Management Philosophy as a Foundation for Enhancing Corporate Value over the Medium- to Long-Term).

<Corporate governance system>

- A corporate governance system of a company with an Audit and Supervisory Board

The Company selected a corporate governance system of a company with an Audit and Supervisory Board. This is because the Group believes that, for its business scale and organizational structure, an Audit and Supervisory Board is the most appropriate structure for minimizing risk, as it enables Corporate Auditors, who are independent from the Board of Directors, to conduct agile and effective audits by exercising their individual authority. This system ensures the soundness, transparency, and efficiency of management, and secures the appropriateness of its business practices.

- The composition of the Board of Directors and advisory board

The Board of Directors believes that decision-making by directors who are well-versed in the Company's business is crucial, and therefore, 60% of the Board consists of Internal Directors. Based on this, to strengthen the Company's governance framework, it has established the Nomination and Remuneration, Environmental, etc., Committee as a voluntary advisory body to the Board of Directors, in which a majority of its members are Outside Directors and the chairperson is Outside Director.

- The role of the Nomination and Remuneration, Environmental, etc., Committee (NR&E Committee)

The NR&E Committee is responsible for conducting independent discussions from an objective perspective and reporting recommendations in response to consultations from the Board of Directors on matters that form the core governance, such as the appointment and dismissal of the management, including the Chief Executive Officer (CEO), the design of the remuneration system, and succession planning, as well as critical review items for enhancing corporate value over the medium- to long-term, such as the environment and human capital strategy.

- Stakeholder dialogue

The Company recognizes that relationships of trust with stakeholders, including shareholders and investors, customers, business partners, employees, and local communities, are essential for the enhancement of corporate value over the medium- to long-term and strives to maintain interactive communication. To promote constructive dialogues with shareholders and investors, the Company's executive team, including the

Representative Director, is active. Furthermore, the Company has also established a dedicated framework for such engagement, with the Corporate Strategy/IR Department serving as the primary point of contact for individual meetings. Useful opinions acquired through dialogues with shareholders and investors are shared by the Board of Directors and discussed with the Board members.

## Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company complies with all principles of the Corporate Governance Code.

## Disclosure Based on each Principle of the Corporate Governance Code

[Principle 1-4] (Cross Shareholding)

The Company has a policy of not holding cross-shareholdings. The Company believes that cross-shareholdings held by the Company hinder the improvement of return on assets, and that the elimination of cross-shareholdings held by counterparties will lead to better corporate governance for the Company. Driven by this approach, the Company promptly undertook a review of its cross-shareholdings and, by the end of January 2022, had dissolved all cross-shareholdings, including those held by other counterparties.

1 Elimination of other companies' stocks held by the Company (cross-shareholdings)

The Company undertook a review of its cross shareholdings, in the FYE 03/17, and began dissolving cross shareholdings, mainly with financial institutions in which the Company had a large balance of holdings. From FYE 03/21, the Group included shares in gas equipment-related companies with strong ties to its energy business as the scope of the Company's review. By the end of January 2022, the Company successfully eliminated all of its cross-shareholdings. As a result, the Company sold stocks in 18 companies over the five years from FYE 03/18 to FYE 03/22.

2 Elimination of the Company's stocks held by other companies (cross shareholding)

Our business partners agreed with our policy of dissolving cross-shareholdings, and they also dissolved the shares they held in the Company for policy purposes. The Company began with financial institutions and other business partners, and from FYE 03/21, gas equipment manufacturers agreed with our policy, and by the end of January 2022, all shares held by other companies as cross-shareholdings were sold. During the past 5 years from FYE 03/18 to FYE 03/22, the Company's stocks owned by counterparties, which is equivalent to one third of its issued shares (*1), were sold. Consequently, the portion of tradable shares (*2) is raised by more than 20%.

(*1) The Company conducted a three-for-one share split of its ordinary stock on 1 April 2021. The said number of shares is after the share split, excluding the treasury stock.

(*2) Tradable shares after reviewing the definition at "Development of Listing Rules for Cash Equity Market Restructuring (second set of revisions)".

3 The Company's approach to shareholding

The Company has actively sold off its equity holdings to optimize asset efficiency, guided by a principle of not holding unnecessary assets. To clarify its initiatives to shareholders and investors, starting from FYE 03/24, the Company disclosed its shareholdings in 4 categories: strategic holdings, cross shareholdings, pure investment holdings, and a newly added category, investments under negotiation for sale-off.

1) Strategic holdings
   Shares held to align with the Company's strategy and enhance corporate value over the medium- to long-term

2) Cross shareholdings
   Shares mainly held for mutual ownership to strengthen business partnerships (currently no such shares held)

3) Pure investment holdings
   Shares held for profit-making purposes (currently no such shares held)

4) Investments under negotiation for sale-off
   Investments that NICIGAS is proceeding to divest, but which require time to sell due to limited liquidity

* Until FYE 03/23, disclosed "Investments under negotiation for sale-off" as part of "Pure investment holdings." However, since FYE 03/24, the item is disclosed separately in order to clarify the purpose of shareholding. The Company is proceeding with the sale of assets as needed from FYE 03/25 onward. Regarding details on "Investments under negotiation for sale-off," please refer to the annual securities report (Japanese text only).

For the Company's policy regarding cross shareholding, refer to Article 7 (Cross shareholding) of the Guidelines.

[Principle 1-7] (Related Party Transactions)
Currently, there is no transaction between the Company and its Officers. For the Company's policy for related party transactions, refer to Article 10 (Related party transactions) of the Guidelines.

[Principle 2-1] (Formulation of Management Philosophy as a Foundation for Enhancing Corporate Value over the Medium- to Long-Term)

<Management Philosophy>
(1) Contributing to Local Communities
   We support lives that are more comfortable for our customers by guaranteeing safe, reliable and appropriately priced energy with a small environmental footprint through supply methods optimized for local communities, and contribute to environmental protection and disaster prevention efforts in those communities. Furthermore, as a member of local communities, we take an active role in improving their value, and we believe that by fulfilling our tax obligations, we also contribute to society.

(2) Aiming for Sustainable Corporate Growth
   We believe that contributing to local communities and growing our customer base reinforce our business foundation, and we are working hard to improve long-term corporate value by ensuring reasonable profits and making efficient investments. Furthermore, we will strive to improve shareholder value through continual and stable dividends, accompanied by a strong internal control system.

(3) Holding Human Resources in High Regard
   We believe that human resources, including our own employees, are crucial assets supporting our corporation. Operating in a manner that enables us to maximize the potential of our employees, so that we can offer services that are tailor-made for our customers, is essential to sustainable corporate growth. The happiness of our employees, business partners, and their families is the essential underpinning therein, and we aim to further improve it through our business efforts.

[Principle 2-3] (Sustainability Issues, Including Social and Environmental Matters)
[Supplementary Principle 2-3-①] (Initiatives for sustainability issues)
[Supplementary Principle 3-1-③] (Initiatives on sustainability, Human Capital Disclosure)
[Supplementary Principle 4-2-②] (Roles and Responsibilities of the Board of Directors Sustainability Policy)
The Company believes that co-prosperity with a wide range of stakeholders is essential to medium- to long-term corporate value, and its medium- to long-term management strategy emphasizes both addressing local

community issues and achieving profitable growth. In addition to its traditional Energy Retail business, the Company is working to implement its management strategy through its Energy Solutions and Platform business that shares the Group's highly efficient infrastructure across the entire industry. To reflect external and objective perspectives in policy formulation, the Board of Directors makes decisions after consulting with the Nomination and Remuneration, Environmental, etc., Committee (NR&E Committee) and receiving its reports.

〇Policy on sustainability initiatives
The Company's mission is to contribute to the local community through energy. It aims to enhance corporate value over the medium- to long term by addressing critical sustainability issues, such as social and environmental issues, while providing energy that meets the needs of the times. Policies on addressing various suitability issues are deliberated by the NR&E Committee, and the Board of Directors determines the policies based on the committee's reports. The Company has identified the following key issues (Materiality) through a resolution by the Board of Directors, and is strengthening the Company's initiatives for each, as these matters significantly impact its medium- to long-term corporate value.

Materiality: 1) Building a decarbonized society, 2) Developing human capital and diversity, 3) Building the foundations of local communities, and 4) Strengthening governance

* For metrics and targets associated with each issue, please refer to the "Integrated Report 2025."

〇Climate Change response (disclosure based on TCFD framework)
The Company supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclosed its strategies to address climate change while enhancing its corporate value by identifying risks and opportunities resulting from changes in the business environment through scenario analysis. In the Integrated Report 2025, the Company enhanced its quantitative disclosures regarding progress in $CO_2$ emissions reduction by disclosing risks and opportunities that are expected to have a significant financial impact under each climate change scenario. Details of initiatives are disclosed as appropriate in the Integrated Report and other materials.

<Outcomes of the scenario analysis>

Identification of climate change risks and opportunities, and NICIGAS' countermeasures　Major Risks　Major Opportunities

| Classification | | Driver | Description | Worldview by Scenario: 4°C | Worldview by Scenario: 1.5/2°C |
|---|---|---|---|---|---|
| Risks | Transition | Governmental policy and regulation | • Carbon pricing regulations, GHG emissions regulations | No regulation or limited regulation | Rapid increase in carbon pricing Case1 |
| Risks | Transition | Technology | • Technological adaptation toward a decarbonized society<br>• Increased development costs for decarbonization-compliant products | Technological innovation stagnates; spread of alternative fuels (e.g., hydrogen) remains limited | Decarbonization-related business activity increases<br>Emergence of alternative fuels leads to further reduction in gas demand |
| Risks | Transition | Market (procurement) | • Prices surge due to fossil fuel supply shortages | Continued dependence on fossil fuels; crude oil prices surge | Crude oil prices surge<br>Electricity prices also surge due to renewable energy adoption |
| Risks | Transition | Market (consumption) | • Rising utility costs encourage greater focus on energy saving | Distributed equipment adoption remains limited | Increased awareness of gas conservation reduces gas demand |
| Risks | Transition | Reputation | • The negative image of fossil fuels<br>• Loss of trust due to delayed climate action | Declining corporate image and increasing difficulty in securing talent | Negative impact on corporate image due to delayed decarbonization efforts |
| Risks | Physical | Acute | • Adverse impacts on business sites and delivery routes due to increased disasters<br>• Damage to supply facilities from heavy rain or flooding | Higher disaster risk at each site Case2<br>Greater risk of supply suspension and higher recovery costs | Lower risk of large-scale disaster<br>Limited impact on optimal delivery routes |
| Risks | Physical | Chronic | • Decrease in gas demand due to rising temperatures<br>• Increased business insurance costs due to more frequent disasters | Gas demand: gradual decrease | Gas demand: sharp decrease Case3 |
| Opportunities | | Resource efficiency | • Promote and expand demand for environmentally friendly equipment | Demand for solution equipment grows moderately | Interest in solution equipment increases, accelerating its spread Case1 |
| Opportunities | | Energy source | • Enhance corporate image through proactive decarbonization efforts | Enhance corporate image through proactive decarbonization efforts | Potential for business expansion through collaboration |
| Opportunities | | Equipment and service | • Increase in the number of electricity customers and sales volume due to ongoing electrification | Decline in fossil fuel demand progresses gradually | Tailwind for the Electricity business |
| Opportunities | | Market | • Market consolidation accelerates due to decarbonization efforts | Market consolidation progresses gradually | More companies exit the market due to deteriorating profitability Case2<br>Rising demand for high-efficiency platforms |

〇Initiatives on Natural Capital (disclosure based on TNFD framework)
The Group's business operations utilize nature as a critical capital resource and, in doing so, impact the natural environment. To ensure sustainable corporate growth while contributing to local communities, the Company believes it is essential to reevaluate its business approach and transform it to balance environmental conservation with revenue expansion. In alignment with the framework of the Taskforce on Nature-related

Financial Disclosures (TNFD), the Company will identify and analyze nature-related risks and opportunities in its operations and proactively expand its initiatives to address environmental issues. Of the natural capital connected to the Group's business, the Company positions its response to climate change, the most critical element of nature-related risk and opportunity, as its highest-priority issue, and is actively advancing relevant initiatives in this area. Details of initiatives are disclosed as appropriate in the Integrated Report and other materials.

<Identification of risks and opportunities, and the Company's response policy>

| Classification | Driver | Description | Financial Impact Level | Countermeasure |
|---|---|---|---|---|
| Risks | Regulations | • Increased capital investment in facilities aimed at reducing environmental impact | | Explore collaboration and investment opportunities |
| | Technology | • Rising costs of water resource reuse<br>• Rising waste disposal costs for gas meters and similar equipment | | Review office operations and directly curb resource consumption |
| | Market | • Decline in gas demand due to reduced hot water demand resulting from increased customer awareness of water conservation | High | Propose E&G bundling contracts |
| | Reputation | • Loss of trust from the local community due to gas construction work<br>• Damage to corporate image caused by the release of hazardous substances | | Engage with local communities and provide education to employees and contractors |
| | Physical (Acute) | • Shutdown of operations at business sites due to typhoons and floods<br>• Loss of sales opportunities due to water outages or droughts | High | Promote water reuse and the adoption of highly resilient equipment |
| | Physical (Chronic) | • Deterioration of gas pipelines due to soil contamination<br>• Reinforcement or relocation of supply facilities due to changes in river water levels | | Construct environmentally conscious facilities |
| Opportunities | Resource Efficiency | • Reduction in disposal costs through reuse of used products | | Promote the use of reused safety inspection equipment |
| | Service | • Growing demand for distributed integrated energy systems<br>• Increased demand for water-saving devices that help reduce water intake | High | Promote adoption through customer-facing operations and exhibitions |
| | Market | • Effective use of land and existing sales offices<br>• Rising demand for high-efficiency platforms within the industry | High | Advance the Platform business |

〇Investments in human capital, etc.

The driving force for enhancing corporate value over the medium- to long-term is the power of each employee to continuously respond to changes in the internal and external environment and take on new initiatives. The Group's human capital strategy aims to accelerate the Group's new medium- to long-term growth strategy of its Energy Solution business that optimizes the use of energy for each household and the community as a whole and its Platform business for sharing its optimized LP gas infrastructure throughout the industry, centered on the Energy Retail business through the maximization of human capital. Looking ahead to the expansion of its corporate scale enlargement and new businesses, the Company has identified three priority measures: (1) skill diversification, (2) raising motivation, and (3) operational efficiency. By building an organization in which diverse human capital with a willingness to take on challenges and innovate can play active roles, the Company aims to achieve a market capitalization of ¥500 billion in FYE 03/31. Details of these initiatives are disclosed as appropriate in the above [Supplementary Principle 2-4-①] (Ensuring diversity in promotion to core human resources, etc.), the Integrated Report, and other materials.

〇Respect for human rights

The Company recognizes that human rights initiatives are a prerequisite for the continuation and growth of its business over the medium- to long-term, as well as a responsibility that should be widely addressed by companies within the scope of their business. Based on this recognition, the Group respects the rights of all its stakeholders involved in the Group, and through human rights risk assessment and preventative measures, the Company will work to prevent unjustified infringements and establish a system to provide appropriate remedies. The Company conducts its business with a strong commitment to international norms such as the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the United Nations Global Compact's Principles on Human Rights, aiming to achieve a sustainable society and enhance corporate value. Details of its efforts to address human rights issues for each stakeholder are disclosed as appropriate in the Integrated Report and other materials.

[Supplementary Principle 2-4-①] (Ensuring diversity in promotion to core human resources, etc.)
The Company believes that in order to respond to the diverse needs of local communities, contribute to local communities, and achieve sustainable profit growth, it is important for employees with various backgrounds and ideas to proactively think and take on challenges, deepen discussions from various perspectives, and complement one another while evolving the Company. Based on this belief, the Company is focusing on creating an environment where individuals can maximize their abilities regardless of gender, age, nationality, whether they are a new graduate or a mid-career hire, or educational background. The Company also fairly evaluates the willingness to take on challenges and promotes individuals to senior positions accordingly. The Company's targets and progress in this respect are as follows.

1. Promotion of Diversity
(1) Career development for women:
More than half of the local communities served by the Group are composed of women. The Company believes that incorporating the perspectives and sensibilities of women into its daily operations and management is essential for corporate growth, and it actively promotes the empowerment of women in the workplace. Due to the nature of its business in energy supply and safety inspection, which involves manual handling of heavy items such as transporting LP gas cylinders, the Company's workforce currently has a high male ratio of approx. 80%. However, with the expansion of the Group's business operations, the scope of roles where women can actively thrive has steadily expanded across diverse fields, including sales, gas safety inspectors, delivery personnel, and systems engineers. At NICIGAS (non-consolidated) headquarters, the appointment of women to core positions is steadily advancing, led by key executives such as Head of Corporate Headquarters, General Manager, Human Resources Department, and General Manager, Financial Department. (The percentage of female managers at NICIGAS headquarters is 15.4%).

As of FYE 03/26, the ratio of female managers was 3.7%, and the ratio of female employees (including contract and part-time workers) was 19.9%. Consequently, the Company fell short of its targets of 10.0% and 23.0% set for the end of March 2026. Factors contributing to this include the Company's business characteristics, which feature a high proportion of sales roles that require handling heavy products, despite its efforts to expand opportunities for women through business growth. In addition, the development of career paths within the administrative departments of sales operations is still in progress.

Moving forward, to ensure that all employees can maximize their potential regardless of gender, the Company will promote the appointment of capable talent. The Company will achieve this through initiatives such as encouraging active roles in new businesses like plumbing & remodeling services, restructuring career paths in administrative departments, optimizing personnel allocation, and introducing systems that support diverse work styles. Regarding the Company's targets, it has newly set a target to achieve a 5.9% for the ratio of female managers by the end of March 2031. The purpose of this target revision is to prevent the Company's initiatives from becoming mere formalities by setting targets based on current progress, and steadily executing measures to achieve its goal. Furthermore, the Company has decided not to establish a uniform numerical target for the ratio of female employees at this point. This decision reflects the Company's belief that it must prioritize cultivating and promoting core role models (female managers). It aims to create a virtuous cycle. By increasing visible examples of women succeeding in leadership positions, the Company will strengthen the recruitment of the next generation of women and lead to their long-term retention.

| KPI | Target (until the end of March 2026) | Actual (FYE 03/26) | Target (until the end of March 2031) |
|---|---|---|---|
| The ratio of female managers (Senior Section Manager to Department Manager) | 10.0% | 3.7% | 5.9% |

| | | | |
|---|---|---|---|
| The ratio of female employees | 23.0% | 19.9% | - |

(2) Career development for foreign workers:
The Company recruits and promotes talented individuals regardless of their nationality. As of the end of March 2026, there were 45 foreign nationals working (including temporary workers) in the Group. Foreign nationals are actively participating in LP gas filling plants and sales in their native languages. Regarding the promotion of foreign employees to management positions, the Company has not set specific numerical targets due to the low number of hires. However, in light of the growing diversity of its customer base, the Group remains committed to promoting the success of foreign national talent.

(3) Active deployment of mid-career employees:
The Company promotes the active participation of mid-career hires. Mid-career hires accounted for 56.9% of employees and 50.0% of managers as of the end of March 2026. The reason for this outcome is underpinned by the Company's corporate culture that rewards performance and challenges regardless of their previous career paths, while actively incorporating skills and results of personnel with varied backgrounds. The Company will continue to actively recruit people with potential and capabilities to take on the challenge of improving its corporate value, regardless of mid-career or new graduate recruitment. Regarding the appointment of mid-career employees to management positions, as stated above, the Company does not believe there is any difference in promotion opportunities compared to other hires; therefore, it has not set specific numerical targets.

(4) Generational diversity:
The Company promotes capable individuals regardless of age. For the Company, which is constantly undergoing change in order to grow, rather than a system that emphasizes past experience and stability, such as a seniority-based system, a corporate culture that fosters employees who are not afraid to make mistakes and take on challenges is essential. In terms of recruitment, the Group widely hires individuals who are willing to take on challenges to enhance its corporate value, regardless of age. In April 2026, the Company hired 84 new employees, including 12 high school graduates, who are active in areas such as delivery, safety, and sales. On the other hand, the senior generation utilizes their experience to excel in areas they are skilled in, such as sales, safety, and delivery. Furthermore, they also engaged in the education of younger employees, contributing to a communicative workplace environment. Since 2021, the Company has extended the retirement age from 60 to 65.

2. Policies and initiatives to ensure diversity
(1) Internal environment improvement
The Company believes that enhancing corporate value over the medium- to long-term requires an environment where all employees can utilize their characteristics, align with their life purposes and stages, and maximize their abilities with motivation. To this end, the Company has introduced various systems that allow flexible working styles, such as shortened working hours, flextime, side jobs, maternity and childcare leave, and remote work, to create a workplace environment where each employee can fully demonstrate their abilities without being restricted by location or time.

The Company also sets the rate of men taking childcare leave as an important indicator. This is because the Company believes that the active participation of men in childcare and housework is indispensable for the promotion of women's participation that it is pursuing. The rate of men taking childcare leave is not only an important indicator of its medium- to long-term growth but also an active obligation that the Group actively undertakes as a member of society to ensure the sustainable development of Japan as a country. The Company has introduced systems and fostered a workplace culture that make it easier for male employees to take childcare leave, and the childcare leave take-up rate has increased significantly, from 11.1% in FYE 03/22 to 71.4% in FYE 03/26. In FYE 03/26, the average number of childcare leave days taken by male employees was 35.

(2) Human resource development policy
The Company believes that the growth of each and every employee is essential to enhance corporate value over the medium- to long-term. The foundation of the Group's human resource development is a corporate culture that encourages taking on new challenges without fear of failure, regardless of age or experience. The Company views the lessons learned from trial and error as a valuable outcome. By broadening opportunities for employees to thrive even without prior experience, regardless of their background, the Company will develop human resources who will proactively take on challenges on their own initiative amid rapid environmental changes and who can powerfully drive the Energy Solution and Platform businesses forward.

Key initiatives include providing opportunities to take on challenges through the internal Free Agent (FA) system, under which employees can request a transfer once a year, and implementing fair evaluations based on their performance and results. The Company has created an environment in which employees can demonstrate their full potential regardless of age, with past examples including an appointment of sales branch manager in their sixth year after joining the Company as a new graduate and a department manager at age 32.

To meet the diversifying needs of the Group's customers, the Company is also focusing on developing human resources with broad knowledge that is not limited to specific fields. In addition to training designed to develop solution proposal capabilities and digital/DX skills, the Company has recently begun courses aimed at cultivating sound judgment regarding ICT investments. Furthermore, the Company anticipates corporate scale expansion, the Company is also developing management personnel capable of leading the organization. In FYE 03/26, the Company held a next-generation leader training for a selected group of 18 young and mid-level employees.

For details on its human capital strategy and human resource development activities, please refer to p.18-21 of its "Integrated Report 2025" (Link: https://www.nichigas.co.jp/en/ir/library/integrated-report) and its annual securities reports (Link: https://www.nichigas.co.jp/ir/library/securities)(Japanese text only).

[Principle 2-6] (Performance of Functions as Asset Owner of Corporate Pensions)
The Company does not adopt a corporate pension system and fall under an asset owner of corporate pension. For the Company's policy for Performance of Functions as Asset Owner of Corporate Pensions, refer to Article 11 (Performance of functions as asset owner of corporate pensions) of the Guidelines.

[Principle 3-1] (Appropriate Information Disclosure and Ensuring of Transparency)
The Company conducts the independently minded transmission of information on the following disclosures.
(i) The management philosophy, management strategies and management plans are disclosed in the Company's website, integrated reports, and materials for general meetings of shareholders, etc. and explained in business strategy meetings, etc.

- Management philosophy: "Management Philosophy" on the Company's website
  (Link: https://www.nichigas.co.jp/en/corporate/philosophy)
- Management strategy: "CEO Message" on the Company's website
  (Link: https://www.nichigas.co.jp/en/corporate/message)
- Management plan: Financial Results Briefing materials for FY Ended In March 2026 & Three-Year Plan (https://ssl4.eir-parts.net/doc/8174/ir_material_for_fiscal_ym9/202507/00.pdf)
- Integrated Reports (Link:https://www.nichigas.co.jp/en/ir/library/integrated-report)
- Sustainability HP (Link: https://www.nichigas.co.jp/en/sustainability)
- Business Strategy Meeting (Link: https://www.nichigas.co.jp/en/ir/library/meeting)

(ii) For the basic views and policies for corporate governance:
Refer to "I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information" "1. Basic Views" above and the Guidelines attached.
(iii) Policies and procedures for determining remuneration for Senior Management Executives and Directors:
Refer to Article 22 of the Guidelines.
(iv) Policies and procedures of the Board of Directors for the appointment and dismissal of Senior Management Executives and the nomination of candidates for Directors and Corporate Auditors:

Refer to Article 21 of the Guidelines.

(v) Explanation of individual appointments, dismissals, and nominations by the Board of Directors based on the above policies and procedures for the appointment and dismissal of Senior Management Executives and the nomination of candidates for Directors and Corporate Auditors:

The Notice of Convocation the 72nd Ordinary General Meeting of Shareholders is posted in Stock Information on the Company's website (Link: https://www.nichigas.co.jp/en/ir/stock/meeting)

[Supplementary Principle 4-1-①] (Scope of delegation to management)
In accordance with the Regulations of the Board of Directors, the Board of Directors makes key management decisions, including those related to management strategies and medium- to long-term plans, in addition to matters stipulated in laws, regulations and the Articles of Incorporation. Authority over business execution is largely delegated to the Management Meeting. The Management Meeting discusses and implements concrete measures, such as major transactions, pricing policies, strategic partnerships, and personnel matters, to realize management plans approved by the Board of Directors. The Board of Directors supervises these activities, thereby strengthening its oversight function. Refer to Article 15 (Roles and responsibilities of the Board of Directors) of the Guidelines.

[Supplementary Principle 4-1-③] (Succession plans for the CEO and other top executives)
Succession planning for the Chief Executive Officer (CEO) and other executives is a key issue essential for enhancing corporate value and ensuring sustainable growth over the medium- to long-term. The Board of Directors makes decisions following consultation with and reports from the Nomination and Remuneration, Environmental, etc., Committee (NR&E Committee). In FYE 03/26, as part of the succession planning framework, the Company identified the positions, defined the competencies required for each post, and established the procedures for candidate selection. In order to swiftly integrate environmental changes to the Group's organization, the Group is pursuing organizational transformation from conventional "leadership" to flatter and more agile "teamship." Therefore, in succession planning, the Company believes it is important to pass on the functions handled by the management team as a whole, rather than by any single individual. Based on this approach, the scope of targeted positions has been broadened beyond the CEO to encompass other critical management positions. Furthermore, the required competencies have been classified into three distinct categories: (1) competencies that all members of the management team should possess, (2) competencies that should be collectively complemented across the management team as a whole, and (3) competencies required for individual posts. In FYE 03/27, the Company will proceed with the selection of specific candidates and the consideration of development plans based on this framework.

[Supplementary Principle 4-2-①] (Roles and responsibilities of the Board of Directors, management remuneration scheme)
For details on executive remuneration, refer to "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, Oversight; 1. Organizational Composition and Operation, Incentives" below.

[Supplementary Principle 4-3-② and ③] (Objective, timely and transparent procedures for appointment and dismissal of CEO)
The Company believes that the qualities required of the Chief Executive Officer (CEO) include, first and foremost, a commitment to contributing to local communities, as well as a mindset of continuing to take on challenges and drive transformation without being bound by conventional wisdom. Furthermore, the Company considers it crucial for the CEO to possess the ability to design organizations and allocate personnel aligned with business strategy, establish a system for developing next-generation management talent, and foster a corporate culture where employees can act autonomously. The appointment and dismissal of the CEO is discussed by the NR&E Committee from an independent, external perspective and then decided by the Board of Directors, ensuring an objective, timely, and transparent process.

[Principle 4-4] (Roles and Responsibilities of the Corporate Auditors and the Board of Corporate Auditors)
The Company has chosen to be a company with an Audit and Supervisory Board, composed of 1 full-time Corporate Auditor and 2 independent Outside Corporate Auditors, for a total of 3 members. The Company believes that this system allows it to exercise its own investigative authority over the execution of duties by the Directors through the independent appointment of Corporate Auditors, thereby fostering management with a greater sense of alertness and vigilance. Full-time Corporate Auditor position is filled by an Internal Corporate

Auditor with extensive familiarity with the Company's internal operations. By attending key meetings and maintaining close communication with management, the Auditor identifies significant risks at an early stage, conducts causal analysis of the incident, and also verifies the Directors' decision-making process and its appropriateness. The Outside Corporate Auditor position specializes in corporate management and accounting. The Outside Corporate Auditors monitor and verify the Directors' execution of duties by offering opinions and advice from objective standpoint and expert perspective on the overall business performance, including that of the Group, and the results on site audits reported by Full-time Auditors, enriching the discussions of the Board of Corporate Auditors.

The Board of Corporate Auditors monitors and verifies the execution of duties by the Directors based on the audit policies and plans, by attending important meetings such as Board of Directors meetings and regularly exchanging opinions with the Directors. The specific items deliberated by the Board of Corporate Auditors include the audit policies, audit plans, anticipated business risks, status of establishment and operation of the internal control system as key audit items, and the appropriateness of the audit methods and results of the Accounting Auditors. Furthermore, the Company believes that collaboration with Accounting Auditors and the internal audit department is important to improve the effectiveness of audits, and three-way audit meetings (also attended by the Group's Auditors) are held regularly to report on the status of audits and exchange opinions from various perspectives and roles. On-site inspections conducted by Accounting Auditors and the internal audit department are also actively attended. Opinion exchange meetings with Outside Directors and the Group's Auditor liaison meetings are held to further strengthen collaboration.

[Principle 4-8] (Effective Use of Independent Outside Directors)
Of the 5 Directors of the Company, 2 are independent Outside Directors. The Company maintains a majority of Internal Directors to enable prompt decision-making by those with deep familiarity with its business, in light of the energy retail sector's highly specialized nature. As a mechanism to ensure effective oversight, the NR&E Committee has been established. 2 independent Outside Directors of the Company are fully qualified to fulfill roles and responsibilities that contribute towards sustained growth and corporate value improvement of the Group, leading to more active discussions at the Board of Directors meetings. The careers and skills of Outside Directors is posted in "Notice of the 72nd Ordinary General Meeting of Shareholders" (Link：https://www.nichigas.co.jp/en/ir/stock/meeting).

[Principle 4-9] (Criteria for Judgement of Independence of Independent Outside Officers and Their Qualifications)
The Company believes the Tokyo Stock Exchange's criteria for assessing the independence of outside officers are effective and meaningful in enhancing its corporate governance and protecting shareholder interests. When appointing outside officers, the Company applies the independence criteria established by the Tokyo Stock Exchange. This ensures the selection of individuals who have no special interests in the Company and no potential conflicts with shareholder interests. The Company also establishes a system that promotes constructive discussions at Board of Directors meetings by appointing individuals with deep expertise and diverse backgrounds to support effective management and governance.

The Company has appointed the following 2 individuals as independent Outside Directors.
- Tsuyoshi Yamada: In addition to his deep knowledge of the Commercial Code, Companies Act, and financial-related laws, he specializes in the study of the nature of dialogue between corporations and their shareholders.
- Eriko Satonaka: She has experience as a CHRO in human resources, labor relations, and human resources strategy planning at operating companies.

The Company has appointed the following 2 individuals as independent Outside Corporate Auditors.
- Takao Orihara: He has served as a Director mainly in the financial department of Nomura Real Estate Holdings and Nomura Real Estate Development, besides holding positions as a Director (audit & supervisory committee member) and Corporate Auditor at Nomura Real Estate Holdings Inc., thus bringing both executive and auditing experience.
- Tatsunaga Fumikura: He has advanced expertise in accounting and auditing as a certified public accountant. Following an assignment in the United States at an international accounting firm affiliated with Asahi & Co. (currently KPMG AZSA LLC), he served as a Representative Partner at the firm for many years. Possess robust practical experience, including audits for large enterprises.

[Supplementary Principle 4-10-①] (Use of voluntary schemes)
Refer to "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight; 1. Organizational Composition and Operation, Voluntarily Established Committee".

[Supplementary Principle 4-11-①] (Views on the Structure of the Board of Directors and the Board of Corporate Auditors)
The Company has identified the skills the Company believes are necessary for its medium- to long-term corporate value growth and created a skills matrix accordingly. The Board of Directors discusses the required skills in light of key management themes and, following the report from the NR&E Committee, reviews each year the skills deemed necessary to enhance corporate value. The Group appoints individuals with deep knowledge and diverse backgrounds, and complement them by bringing on Outside Directors who possess the specific skills and knowledge that the Company requires as well as Internal Directors. Thereby invigorating discussions and enhancing the effectiveness of the Board of Directors.

<u>Reasons for selecting the skills considered important</u>
1) M&A
- Definition: formulation of M&A strategies and organizational structuring skills
- Reason for selection: The Company considers this important in order to lead market consolidation through M&A in the LP gas industry, balancing the resolution of industry issues with the enhancement of corporate value

2) Human Resources and Organizational management
- Definition: Ability to motivate employees and expertise in formulating and overseeing human capital strategies
- Reason for selection: The Company considers this important in order to formulate human resource strategies that maximize the value of human capital and build a robust organizational foundation for the execution of its growth strategy

3) Environment, Risk, and Governance
- Definition: Ability to appropriately oversee management through environmental initiatives, risk management, and corporate governance
- Reason for selection: The Company considers this important for building a sound risk management structure and enhancing the effectiveness of its management. In particular, regarding the environmental initiatives, the Company positions this as an important element for promoting decarbonization initiatives across the Group, which is responsible for the last mile of energy distribution

4) Capital markets literacy and Dialogue
- Definition: Understanding of capital markets and dialogue capabilities
- Reason for selection: The Company considers this important in order to appropriately explain its business performance and properly reflect the views of the capital markets in management

The independent Outside Directors include persons with experience in management of other companies. For the policy for appointment of Directors, refer to Article 21 (Policies and procedures for appointment and dismissal of Directors, etc. and nomination of candidates for Directors and Corporate Auditors) of the Guidelines.

■Skills Matrix of Directors and Corporate Auditors

Up to five skills possessed by each officer are listed. This table does not represent all of the skills possessed by each candidate.

| 4 internal members, and 4 external members | Name | Gender | Management experience | Experience in the industry | M&A | DX strategy | Human Resources and Organizational management | Environment, Risk, and Governance | Finance and Accounting | Capital market literacy and Dialogue |
|---|---|---|---|---|---|---|---|---|---|---|
| Representative Director, Chief Executive Officer | Kunihiko Kashiwaya | Male | ✓ | ✓ | ✓ | | | | ✓ | ✓ |
| Representative Director, Senior Managing Executive Officer | Keiichi Yoshida | Male | ✓ | ✓ | | ✓ | | ✓ | | |
| Representative Director, Senior Managing Executive Officer | Tomonori Tsuchiya | Male | ✓ | ✓ | ✓ | | ✓ | | | |
| Director (Outside) | Tsuyoshi Yamada | Male | ✓ | | ✓ | ✓ | | ✓ | | ✓ |
| Director (Outside) | Eriko Satonaka | Female | ✓ | | | | ✓ | ✓ | | ✓ |
| Corporate Auditor (Full-time) | Takafumi Suzuki | Male | | ✓ | | | ✓ | ✓ | ✓ | |
| Corporate Auditor (Outside) | Takao Orihara | Male | ✓ | | ✓ | | | ✓ | ✓ | |
| Corporate Auditor (Outside) | Tatsunaga Fumikura | Male | ✓ | | ✓ | | | ✓ | ✓ | |

[Supplementary Principle 4-11-②] (Directors' and Corporate Auditors' Concurrent Positions Held at Other Companies)

The Company discloses concurrent positions of Directors and Corporate Auditors at other listed companies in the Notice of the General Meeting of shareholders and annual securities reports, etc. Given that the number of companies where they hold concurrent positions remains in a reasonable range, the Company has judged that the holding of concurrent positions will not cause any issues in their execution of duties as an officer of the Company.

[Supplementary Principle 4-11-③] (Overview of Analysis and Evaluation Results of the Effectiveness of the Board of Directors as a Whole)

〇Evaluation of the Effectiveness of the Board of Directors in FYE 03/26: An evaluation was conducted through a questionnaire sent to Internal and Outside Officers with the involvement of a third party (Mitsubishi UFJ Trust and Banking Corporation). The result of the evaluation was that the effectiveness of the Board of Directors is ensured.

- Evaluated points and initiatives:

A key strength of the Company's Board of Directors is the highly acclaim it received for the effective responsibilities of Outside Directors and Outside Corporate Auditors, as well as the Company's high standard in the non-financial disclosures.

Responsibilities of independent Outside Directors and Outside Corporate Auditors: Outside Directors and Outside Corporate Auditors actively engage in discussions, providing feedback and inquiries based on their respective neutral and professional perspectives.

Appropriate disclosure of non-financial information: Sustainability information is categorized according to the Company's material issues. The Company is also enhancing its disclosure while taking into account evaluations and feedback from investors and shareholders.

Moreover, the Company has continuously deliberated on succession planning as a matter of the highest importance, its evaluation of effectiveness of the Board of Directors for FYE 03/25 highlighted the need to discuss a more concrete framework. In response to this, the Company proceeded with discussions on the overall framework in FYE 03/26. As part of the succession planning framework, the Company identified key posts, defined the competencies requirements for each role, and established procedures for selecting candidates.

- Issues and Implementation guidance for FYE 03/27:
1) Human Capital Strategy
- Issue: Further deepening discussions, strengthening the supervisory function of the Board of Directors, and promotion of initiatives to ensure diversity and support the active participation of women.

- Implementation guidance for FYE 03/27:
This matter has been an ongoing issue since FYE 03/25. In FYE 03/26, the NR&E Committee and the Board of Directors held repeated discussions regarding current initiatives and the setting of new targets for promoting the active participation of women. For FYE 03/27, the Company will set specific KPIs linked to the direction of its management strategy. At the same time, the Company will promote initiatives to ensure diversity and support the active participation of women, taking into account the Group's business expansion and medium-to long-term growth.

2) Corporate Ethics
- Issue: Revitalization of reporting and deliberation, and ensure thorough understanding of the corporate philosophy, Code of Conduct, and other important matters to employees.

- Implementation guidance for FYE 03/27：
Regarding the corporate philosophy, the Group ensures its internalization among employees on a daily basis, while also conducting an annual survey of all employees and continuously monitoring the degree to which they understand and empathise with the Company's vision. Regarding compliance, the Group regularly conducts training for officers and employees to ensure that the importance of compliance is thoroughly understood on a daily basis, and encourages them to approach their work with compliance as a matter that concerns them personally. The Company regularly shares the results of compliance awareness surveys and adherence status with employees, and includes these matters within the scope of internal audit reviews. The Company will regularly report the content of education provided to Officers and employees and the results of surveys to the Board of Directors, and will deliberate on these matters. For the policy for the evaluation of effectiveness of the Board of Directors, refer to Article 24 (Assessment of effectiveness of the Board of Directors) of the Guidelines.

[Principle 4-12] (Revitalization of Deliberations at Board of Directors Meetings)
The Company's Board of Directors has established the following systems to revitalize deliberations and enhance effectiveness. First, to ensure sufficient time for consideration, the Company thoroughly ensures that materials are provided to the Board of Directors at least two business days prior to the board meetings and holds preliminary briefing sessions for complex agenda items to deepen the understanding of Outside Officers. In addition, by reporting to and sharing with the Board of Directors the annual agenda formulated based on feedback from the effectiveness evaluation, the Company ensures an environment centered on strategic discussions. Furthermore, the Company supports multifaceted discussions to address the rapidly changing business environment by providing information as needed on matters beyond regular agenda items, such as continuously providing insights into the impact of current affairs on the Group's management. The Company will continue to work to further deepen constructive discussions by strengthening these secretariat functions.

[Supplementary Principle 4-14-②] (Policy for Training of Directors and Corporate Auditors)
Refer to Article 26 (Policy for training of Directors and Corporate Auditors) of the Guidelines.

[Principle 5-1] (Policy for Constructive Dialogues with Shareholders)
Based on the recognition that constructive dialogues with shareholders and investors are necessary for the medium- to long-term enhancement of corporate value, the Company has developed internal systems for providing opportunities for such dialogues. Discloses the details of these initiatives in the Integrated Report.
"Integrated Report 2025" P.42 https://www.nichigas.co.jp/en/ir/library/integrated-report

**■Situation of dialogues with shareholders, etc.**
**<Investor Relations (IR) meetings>**
- The Company recognizes its Investor Relations (IR) activities to be a means to: (1) reduce information asymmetry with capital market participants, (2) enhance confidence in management to lower capital costs, and (3) improve the quality of management through dialogue, thereby driving corporate growth. The Company places great importance on dialogue with capital market participants. With the Corporate

Strategy/IR department serving as the main contact point, the Company holds over 300 individual IR meetings annually, with active participation by management members, including the Representative Director and CEO. The feedback the Company receives is incorporated into strengthening its governance, management, and capital strategy planning.

- For the IR meetings, 60% are with domestic institutional investors, and 40% are with overseas institutional investors. In the IR meetings with overseas investors, interviews are held in English with no interpreters present in most cases. The Company believes that communicating directly in English allows its management team to express their views in their own words, helping to build stronger trust with investors. Therefore, the Company believes that direct communication without the need for interpretation, where executives and IR personnel with an understanding of the Company's internal affairs engage in dialogue, deepens the conversation. The Company strives to disclose information fairly to domestic and overseas institutional investors by translating important information into English as promptly as possible.

- Overseas IR meetings (Non-deal Roadshow): The Company conducts overseas IR activities multiple times a year. In FYE 03/26, the Company conducted investor relations activities in Europe and Asia. These activities provided a valuable opportunity for the management team including Representative Director, Chief Executive Officer to engage directly with investors and discuss topics such as business progress, M&A strategy, and capital policy.

- Explanatory Meetings: The Company holds a result briefing in the form of a conference call on the day of the results announcement, and the Corporate Strategy/IR Department, General Manager, provides explanations and answers questions from investors. In addition, the Company holds business strategy meetings every year, where the Representative Director, Chief Executive Officer and other Officers explain medium- to long-term business strategies and sustainability strategy.

- Thematic Meetings: The Company holds multiple meetings annually for groups of investors, focusing on specific themes. 4 meetings were held on FYE 03/26.

- Yume no Kizuna, Kawasaki Tour Events: The Company annually hosts a tour of the Yume no Kizuna Kawasaki, one of the world’s largest LP gas filling plants, for both domestic and overseas investors.

For further details on the information of explanatory meetings, thematic meetings, and the Yume no Kizuna Kawasaki tour events, refer to "III. Implementation of Measures for Shareholders and Other Stakeholders; 2. Status of IR-related Activities."

**<Main topics of dialogue with shareholders/ investors and their interests>**
- Medium- to long-term strategy (sales policies, key business areas)
- M&A strategy (the Group’s growth opportunity through the market consolidation, financing methods)
- Capital strategy (approach to balance sheet control, cash allocation, shareholder return policy)
- Human capital strategy to enhance its corporate value
- Medium- to long-term initiatives to decarbonize society, etc.

**<Informing to the Board of Directors>**
- Useful opinions acquired through dialogues with shareholders, etc. are shared by Executive Officer Meeting, Management Meeting, and the Board of Directors (each meeting is held once a month) and discussed by the Board members. Additionally, shareholder movements based on the regular substantial shareholder survey, and the content of dialogue of IR meetings are appropriately shared.
- Additionally, the details of annual dialogue with shareholders and initiatives by the IR department are occasionally reported to the Board of Directors for discussion with management to further enhance the level of dialogue with shareholders.

**<Examples of implementations based on dialogue>**
- In response to calls for greater M&A disclosure, the Company disclosed PMI (updates on following the M&A) related to Kadokura Shoten Co., Ltd, which joined the Group in February 2025.
- In response to requests for engagement with outside directors, Mr. Yamada, Outside Director, held one-on-one meetings with institutional investors. He engaged in discussions on issues raised in the Board of

Directors and business strategies.

<**Shareholder Relations (SR) meetings**>
The Company places great emphasis on Shareholder Relations (SR) and engages in constructive dialogue with its shareholders annually on the Group's initiatives, such as its sustainability initiatives, to enhance corporate value. Centered on the Company's major shareholders, it conducts these discussions after carefully identifying the key points and strategic messages the Group particularly wishes to communicate. In FYE 03/26, the Company held 15 SR meetings.

The Company intends to promote constructive dialogue with shareholders by, for example, promoting communication of the ideas of Internal and Outside Officers. For the policy for constructive dialogues with shareholders, refer to Article 27 (Dialogue with shareholders) of the Guidelines.

[Principal 5-2] (Formulation and Announcement of Management Strategies and Plans)
[Supplementary Principle 5-2-①] (Formulation and announcement of management strategies and plans)
Under the previous Three-Year Plan from FYE 03/24 to FYE 03/26, the Company worked to increase net income and enhance capital efficiency through the steady expansion of its customer base, and the appropriate capital allocation, and the optimization of capital structure. The Company has optimized capital structure by enhancing Return On Invested Capital (ROIC) to 13% by asset reallocation, while also reducing the equity ratio from 48% to 41% through the utilization of leverage. Through these measures, in FYE 03/26, the Company achieved record-high net income of ¥14.8 billion and Return On Equity (ROE) of 22%.

Under the new Three-Year Plan beginning in FYE 03/27, the Group will pursue further enhancement in profitability and capital efficiency while maintaining its optimized capital structure, with the aim of fully promoting consolidation of the LP gas industry. The Company identifies the Platform business, together with the Energy Retail business, as a vital pillar of growth. Accordingly, the Group has made the Platform business an independent segment effective from FYE 03/27. Based on the belief that companies with superior capital efficiency leading the consolidation of the LP gas industry will contribute to the improvement of the industry-wide sustainability, the Company will expand its customer base and increase the utilization of its Platform, thereby achieving steady profit growth and sustaining high capital efficiency (an ROE of around 22% and an ROIC of around 13%).

In FYE 03/29, the final year of the new Three-Year Plan, the Company aims to achieve operating income of ¥25.0 billion and net income of ¥17.5 billion, while pursuing upside through the execution of disciplined M&A. On the capital procurement side, the Company will continue to maintain its policy of not holding unnecessary shareholders' equity, and will strengthen shareholder returns based on the view that an equity ratio of around 40% is the optimal level.

The Company's cash flow allocation decisions are guided by the objective of maximizing corporate value. Under the new Three-Year Plan, in addition to providing a high level of returns to its shareholders, the Company plans to allocate substantial funds to growth investments, including business transfer in the LP gas industry and investments in improving logistics operations. In regards to shareholder returns, under its continued policy of emphasizing dividends, the Company plans to pay more than ¥36.0 billion in dividends over the three-year period. As for share buybacks, the Company will flexibly carry this out depending on the progress of growth investments, based on its policy of maintaining the equity ratio at around 40%.

The Board of Directors is responsible for overseeing the allocation of management resources and the implementation of strategies related to the business portfolio. At least every financial results announcement (quarterly), the Board of Directors discusses the allocation of management resources and the status of business investments and portfolios, and the Company discloses the details of these discussions in its Earnings Summary Supplemental Disclosure.

- Earnings Summary Supplemental Disclosure https://www.nichigas.co.jp/en/ir/library/financial-statements
- "Integrated Report 2025" P.22-25 https://www.nichigas.co.jp/en/ir/library/integrated-report

## Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

| | |
|---|---|
| Content of Disclosure | Disclosure of Initiatives (Update) |
| Availability of English Disclosure | Available |
| Date of Disclosure Update | 25/06/2025 |

Explanation of Actions

The Company recognizes that the Price Book-value Ratio (PBR), which represents the multiple of market value of shareholders' equity to book value, is a measure of the value created by management, and that improving this ratio is essential to enhancing corporate value. To raise its PBR, the Company will communicate to investors its initiatives, namely, (1) expanding the gap between ROE and capital cost, (2) enhancing balance sheet management and improving ROIC, and (3) pursuing growth through initiatives such as market consolidation. The Company discloses explanatory materials concerning its capital strategy on its website, and explains specific details of its actions to implement management that is conscious of cost of capital and stock price performance, as well as its capital strategy.

- NICIGAS' Capital Strategy: https://www.nichigas.co.jp/en/ir/library/capital

## 2. Capital Structure

| | |
|---|---|
| Foreign Shareholding Ratio | 30% or more |

### Status of Major Shareholders

| Name or Company Name | Number of Shares Owned | Percentage (%) |
|---|---|---|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 17,756,500 | 16.47 |
| Custody Bank of Japan, Ltd. (Trust Account) | 6,773,100 | 6.28 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 5,303,183 | 4.92 |
| TEPCO Energy Partner, Incorporated | 4,380,000 | 4.06 |
| Custody Bank of Japan, Ltd. (Trust Account No. 4) | 3,976,100 | 3.68 |
| Nippon Life Insurance Company | 2,186,760 | 2.02 |
| THE BANK OF NEW YORK MELLON 140044 | 1,852,050 | 1.71 |
| The Nomura Trust and Banking Co., Ltd. (Investment trust) | 1,636,500 | 1.51 |
| STATE STREET BANK AND TRUST COMPANY 505103 | 1,630,144 | 1.51 |
| JP MORGAN CHASE BANK 385781 | 1,511,618 | 1.40 |

| | |
|---|---|
| Name of Controlling Shareholder, if applicable (excluding Parent Companies) | None |
| Name of Parent Company, if applicable | None |

Supplementary Explanation

The status of major shareholders above is as of the fiscal year end of March, 2026. The Company owns 4,990,998 shares as treasury stock, which is excluded from the number of shares held by major shareholders above. The treasury stock does not include 1,330,022 shares of the Company's stock owned by The Master Trust Bank of Japan, Ltd. in the "Executive Compensation BIP (Board Incentive Plan) Trust" (trust account). In addition, the Company's treasury stock is excluded in the calculation of the percentage figures.

## 3. Corporate Attributes

| | |
|---|---|
| Listed Stock Exchange and Market Segment | Prime Market |
| Fiscal Year-End | March |
| Business Sector | Retail Trade |

| | |
|---|---|
| Number of Employees (Consolidated) as of the End of the Previous Fiscal Year | 1,000 or more |
| Net Sales (Consolidated) for the Previous Fiscal Year | ¥100 billion or more and less than ¥1 trillion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | Fewer than 10 |

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

None

### 5. Other Special Circumstances which May have a Material Impact on Corporate Governance

None

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

### 1. Organizational Composition and Operation

| | |
|---|---|
| Corporate Governance System | Company with Audit and Supervisory Board* |

*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

**Directors**

| | |
|---|---|
| Number of Directors Stipulated in Articles of Incorporation | 15 |
| Directors' Term of Office Stipulated in Articles of Incorporation | 1 year |
| Chairperson of the Board | President |
| Number of Directors | 5 |
| Election of Outside Directors | Elected |
| Number of Outside Directors | 2 |
| Number of Independent Directors | 2 |

Outside Directors' Relationship with the Company (1)

| Name | Attributes | Relationship with the Company* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k |
| Tsuyoshi Yamada | Lawyer | | | | | | | | | | | |
| Eriko Satonaka | From another company | | | | | | | | | | | |

*Categories for “Relationship with the Company”.

(Use “○” when the director presently falls or has recently fallen under the category; “△” when the director fell under the category in the past; “●” when a close relative of the director presently falls or has recently fallen under the category; and “▲” when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary
b. Person who executes business for or a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the

Company (applies to director him/herself only)

j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)

k. Other

Outside Directors' Relationship with the Company (2)

| Name | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons for Appointment |
|---|---|---|---|
| Tsuyoshi Yamada | ○ | — | Reason for appointment as an Outside Director:<br>Mr. Tsuyoshi Yamada is a licensed lawyer, who in addition to his in-depth knowledge of the Commercial Code, the Companies Act, and law related to finance, also specializes in the nature of dialogue between corporations and their shareholders. Additionally, as the chair of the Nomination and Remuneration, Environmental, etc., Committee (NR&E Committee), he is responsible for formulating the Company's policies on executive remuneration, and succession planning. Although Mr. Yamada has no direct experience in corporate management, the Company believes that his knowledge will contribute to management, governance, and risk management based on an investors' perspective. Thus, the Company has appointed him as Outside Director.<br><br>Reason for nomination as an independent officer:<br>Mr. Yamada was selected by the Board of Directors following approval from the NR&E Committee, which is a voluntary advisory body. He is nominated as an independent officer because the risk of conflict of interest with general shareholders is considered to be nonexistent in view of his career. |
| Eriko Satonaka | ○ | — | Reason for appointment as an Outside Director:<br>Ms. Eriko Satonaka has expertise in human resources and diversity promotion at Nissan Motor Co., Ltd. and later at Benesse Holdings, Inc. where she led human resource development strategies and the design of the executive compensation plan. Currently, as CHRO at AVANT Group, Ms. Satonaka directs the company-wide human resources strategy. These experiences have contributed to deepening the discussions on the Group's human capital strategy such as the recruitment and development of the next generation of human resources and the promotion of diversity. As the Company |

| | | | |
|---|---|---|---|
| | | | believes that these insights will contribute to the Group's sustainable growth, the Company has appointed her as Outside Director.<br><br>Reason for nomination as an independent officer:<br>Ms. Satonaka was selected by the Board of Directors following approval from the NR&E Committee, which is a voluntary advisory body. She is nominated as an independent officer because the risk of conflict of interest with general shareholders is considered to be nonexistent in view of her career. |

| Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee | Established |
|---|---|

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

| | Committee's Name | All Members | Full-time Members | Inside Directors | Outside Directors | Outside Experts | Other | Chairperson |
|---|---|---|---|---|---|---|---|---|
| Voluntarily Established Committee Equivalent to Nomination Committee | NR&E Committee | 3 | 0 | 1 | 2 | 0 | 0 | Outside Director |
| Voluntarily Established Committee Equivalent to Remuneration Committee | NR&E Committee | 3 | 0 | 1 | 2 | 0 | 0 | Outside Director |

Supplementary Explanation

As a company with an Audit and Supervisory Board, taken in consideration that independent Outside Directors do not constitute the majority of the Board of Directors, the Company has established the Nomination and Remuneration, Environmental, Committee (NR&E Committee) as a voluntary advisory body to the Board of Directors for the purpose of strengthening corporate governance. The NR&E Committee is responsible for conducting independent discussions from an objective standpoint on important considerations for enhancing corporate value, for example on environmental initiative and human capital strategy, and reporting its recommendations to inquiries from the Board of Directors on matters that form the core governance matters. These matters include the following points: the appointment and dismissal of the management team that includes the Chief Executive Officer (CEO), the design of the remuneration system, and succession planning. The Board of Directors determines policies on matters under deliberation after receiving reports from the NR&E Committee.

<Composition>
Aiming to enhance governance transparency and independence, the NR&E Committee has transitioned to a structure since March 2026 in which Outside Directors constitute a majority of its members. The NR&E Committee consists of three members: two Outside Directors, Mr. Tsuyoshi Yamada and Ms. Eriko Satonaka, and one Internal Director, Mr. Kunihiko Kashiwaya, Representative Director, Chief Executive Officer. An Outside Director, Mr. Tsuyoshi Yamada, serves as Chairperson, and the Company has determined that the NR&E Committee is independent.

<Matters Deliberated by the Committee>
Based on consultations from the Board of Directors, this Committee deliberates and advises on the following matters.

- Matters concerning the Corporate Governance regarding Director Nominations and Remunerations, etc.
  (1) Promoting a governance framework in business activities to achieve management stability and sound growth
  (2) Personnel proposals for Directors, Representative Directors, Executive Directors, Executive Officers, and Corporate Auditors
  (3) Policy on Remuneration for Directors, Representative Directors, Executive Directors, Executive Officers, and Corporate Auditors, as well as their operational status, and remuneration limit (proposal at the General Meeting of Shareholders), etc.
  (4) System and Operation, etc. for third-party evaluation of Directors
  (5) System and Operation, etc. for succession planning (including the cultivation of the successor)
- Matters concerning environmental considerations in business activities
- Matters concerning business activities that contribute to society
- Other matters consulted by the Board of Directors

### Audit and Supervisory Board Member*

*Referred to as "*kansayaku*" in Corporate Governance Code reference translation

| | |
|---|---|
| Establishment of Audit and Supervisory Board | Established |
| Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation | 4 |
| Number of Audit and Supervisory Board Members | 3 |

#### Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Board of Corporate Auditors consists of 3 corporate auditors (including 2 Outside Corporate Auditors). The Board of Corporate Auditors meets monthly prior to the Board of Directors meetings and as needed. The Board of Corporate Auditors also holds quarterly three-way audit meetings with the accounting auditors, and the audit office, which is the Company’s internal audit department, and auditors of the group company to discuss audit policies, audit plans, key audit items, etc., and to exchange information on the status of each audit, etc., with the close collaboration to ensure effective and efficient audits. In addition, a full-time Corporate Auditor conducts audits by attending the Internal Control System Committee (the Group Risk Management Committee and the Group Compliance Committee) and other important meetings and inspecting documents for final decisions, as well as by accompanying the Accounting Auditor and the internal audit department on site visits and constantly exchanging information with the Audit Office to execute efficient audits.

| | |
|---|---|
| Appointment of Outside Audit and Supervisory Board Members | Appointed |
| Number of Outside Audit and Supervisory Board Members | 2 |
| Number of Independent Audit and Supervisory Board Members | 2 |

## Outside Audit and Supervisory Board Members' Relationship with the Company (1)

| Name | Attributes | Relationship with the Company* | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m |
| Takao Orihara | From another company | | | | | | | | | | | | | |
| Tatsunaga Fumikura | CPA | | | | | | | | | | | | | |

*Categories for “Relationship with the Company”.
(Use “○” when the director presently falls or has recently fallen under the category; “△” when the director fell under the category in the past; “●” when a close relative of the director presently falls or has recently fallen under the category; and “▲” when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary
b. A non-executive director or an accounting advisor of the Company or its subsidiaries
c. Person who executes business for or a non-executive director of the Company's parent company
d. An Audit and Supervisory Board Member of a parent company of the Company
e. Person who executes business for a fellow subsidiary
f. Person/entity for which the Company is a major client or a person who executes business for said person/entity
g. Major client of the Company or a person who executes business for said client
h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
m. Other

## Outside Audit and Supervisory Board Members' Relationship with the Company (2)

| Name | Designation as Independent Audit and Supervisory Board Member | Supplementary Explanation of the Relationship | Reasons for Appointment |
|---|---|---|---|
| Takao Orihara | ○ | — | Reason for appointment as an Outside Corporate Auditor:<br>Mr. Takao Orihara has experience in finance and corporate planning at Nomura Real Estate Development, and participated in the management of Nomura Real Estate Holdings and Nomura Real Estate Development for nine years, mainly as a Director in charge of finance. He subsequently served other positions as a Director (Audit & Supervisory Committee member) and Corporate Auditor at Nomura Real Estate Holdings, Inc. for seven years. As the Company believes that Mr. Orihara’s experience as an executive and auditor at publicly listed companies, etc. will contribute to the accurate auditing of the Company, it |

| | | | |
|---|---|---|---|
| | | | has appointed him as Outside Corporate Auditor.<br><br>Reason for nomination as an independent officer:<br>Mr. Orihara was selected by the Board of Directors following approval from the Nomination and Remuneration, Environmental, etc. Committee (NR&E Committee), which is a voluntary advisory body. He is nominated as an independent officer because the risk of conflict of interest with general shareholders is considered to be nonexistent in view of his career. |
| Tatsunaga Fumikura | ○ | — | Reason for appointment as an Outside Corporate Auditor:<br>Mr. Tatsunaga Fumikura is appointed because he possesses advanced expertise in accounting as a Certified Public Accountant. Following an assignment in the U.S. at an international accounting firm affiliated with Asahi & Co. (currently KPMG AZSA LLC), he served as a Representative Partner at the firm for many years. His extensive practical experience in auditing, including at major corporations, will contribute to accurate and appropriate audits in the Company.<br><br>Reason for nomination as an independent officer:<br>Mr. Fumikura was selected by the Board of Directors following approval from the NR&E Committee, which is a voluntary advisory body. He is nominated as an independent officer because the risk of conflict of interest with general shareholders is considered to be nonexistent in view of his career. |

### Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

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|---|---|
| Number of Independent Directors and Independent Audit and Supervisory Board Members | 4 |

#### Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

The Company's criteria for judgment of the independence of its Outside Directors and Outside Corporate Auditors are governed by the independence criteria established by the Tokyo Stock Exchange.

### Incentives

| | |
|---|---|
| Implementation Status of Measures related to Incentives Granted to Directors | Introduction of Performance-linked Remuneration Scheme, Other |

#### Supplementary Explanation for Applicable Items

The policy for determining individual remuneration for Directors and Executive Officers (hereinafter referred to as "Directors, etc.") is submitted to the Nomination and Remuneration, Environmental, etc., Committee

(NR&E Committee), which is an advisory body, for inquiry, and after receiving a report, it is resolved at a Board of Directors meeting. The remuneration of Directors, etc. consists of basic remuneration linked to performance as a short-term incentive to motivate the achievement of single-year performance targets, and stock-based remuneration as a medium- to long-term incentive designed to align remuneration with shareholder value. The Company pays only the fixed basic remuneration to Outside Directors, as the Company expects them to primarily fulfill supervisory functions.

1) Determination of basic remuneration

The individual basic remuneration of each Director, etc. is determined based on internal evaluations and external evaluations conducted by Independent Outside Evaluators*1, using as a basis the rate of change in the basic remuneration amount corresponding to evaluation grades from C to S, which are established taking into account consolidated operating income and other factors, and is finalized based on qualitative and quantitative evaluations.

＜Rate of change in base remuneration tied to evaluation (FYE 03/26)＞

| S/A | B+/B/B- | C |
|---|---|---|
| +5-7% | +3-5% | +0-3% |

*1 Independent Outside Evaluators: 2 university professors specializing in management. Based on recommendations from external institutions, they have been entrusted to conduct evaluations since 2015. The Company determined that they are highly knowledgeable in performance evaluation, which is the basis for calculating management and executive remuneration.

<Evaluation Process>

1. Evaluation interviews: Once a year, after the end of the fiscal year, Directors, etc. conduct evaluation interviews with Independent Outside Evaluators regarding their respective challenges and achievements.

2. Evaluation:

(1) External Evaluation: Evaluators conduct quantitative and qualitative evaluations for Directors, etc. based on predefined items specific to their roles and responsibilities through interviews. The quantitative evaluation is made based on the operating income of the Company and the achievement of individually set KPIs. For the qualitative evaluation, assessments are made based on items such as contribution to the enhancement of corporate value, policy formulation and the permeation of strategy, development and identification of successors, professional expertise, and foresight, the Group particularly emphasizes the capacity for transformation, which is not bound by past practices and successful experiences.

(2) Internal Evaluation: The supervisor of the person being evaluated conducted the evaluation. At NICIGAS, Representative Director, Chief Executive Officer and Division Heads conduct the evaluation, while at its Group Companies, the Representative Director, Chief Executive Officer evaluates.

3. Determination of remuneration: After the Division Head has confirmed the results of the external evaluation, the Representative Director, Chief Executive Officer, and the Officer in charge of the Human Resources Department, who are delegated by the Board of Directors, determine the approach to individual basic remuneration, including the rate of change in the basic remuneration amount according to the evaluation, based on internal and external evaluations, and the NR&E Committee and the Board of Directors approve the content. Upon receiving approval, the Representative Director, Chief Executive Officer, and the Officer in charge of the Human Resources Department, shall consult with each other to make the final determination of individual basic remuneration. With respect to individual remuneration, etc. for Directors, etc., the Board of Directors has confirmed the contents, determination methods, and finalized amount of the individual remuneration, etc. for Directors, etc. are consistent with the policy for determining individual remuneration, etc. resolved by the Board of Directors, and that the recommendations from the NR&E Committee have been duly respected.

2) Determination of non-monetary remuneration

Regarding the stock-based remuneration, it is a medium- to long-term incentive plan designed to grant shares to Directors, etc., up to the maximum of 1,960 million yen and 785,000 shares over the five fiscal years from April 2025 to March 2030. The purpose of this system is to enable Directors, etc. to share medium- to long-term profit value with shareholders. This stock-based remuneration is calculated using the BIP trust system, with points multiplied by a coefficient set according to basic remuneration and position, and granted to eligible individuals annually. The points are accumulated during the term of office. When Directors, etc. retires from the Company and all Group Companies covered by the stock-based remuneration plan, the beneficiary will receive a certain percentage of the accumulated points in the form of the Company's shares, as well as cash equivalent to the converted amount within the trust. In addition, subject to approval by the Board of Directors, the period of this stock-based remuneration plan may be extended every five fiscal years.

3) Policy on ratio of remuneration, etc.

The ratio of basic remuneration to stock-based remuneration, which is linked to performances such as consolidated operating income and other business results, is determined by a rank-based coefficient stipulated in the internal guideline. The higher the position, the higher the proportion of stock remuneration.

4) Policy on timing and conditions for granting remuneration, etc.

Individual remuneration for Directors, etc. determined through the process described in 1) above will be reflected beginning with the payment in July of each year, taking into account the term of office of Directors, etc.

5) Matters concerning delegation of determination of remuneration, etc.

- Name, position and/or responsibility in the Company of the person to be delegated:

  Mr. Kunihiko Kashiwaya, Representative Director, Chief Executive Officer
  Mr. Keiichi Ozaku, Managing Executive Officer, in charge of Human Resource Department and General Affairs Department (*2)

  The reason for said delegation is that the Representative Director, Chief Executive Officer and the Officer in charge of the Human Resource Department are well-suited to make balanced decisions between each Headquarters and Group Company, while taking into consideration the Company Group's overall performance and other factors.

  *2 Due to the retirement of Mr. Keiichi Ozaku, Managing Executive Officer in charge of the Human Resource and General Affairs Departments, effective 25 June 2026, his duties and responsibilities have been reassigned to Mr. Kenji Manaka, Executive Officer, Deputy head of Corporate Headquarters (Officer in charge of the Human Resource Department).

- Description of authority to be delegated:

  This is the authority to determine individual basic remuneration based on internal and external evaluations, in accordance with the policy for determining individual remuneration, etc. resolved by the Board of Directors, after obtaining the approval of the NR&E Committee and the Board of Directors for the approach to individual basic remuneration based on internal and external evaluations.

- Details of measures to ensure that delegated authority is properly exercised:

  To ensure the proper exercise of the authority delegated by the Board of Directors, the Company has established a structure under which the approach to individual basic remuneration determined by the Representative Director, Chief Executive Officer, and the Officer in charge of the Human Resources Department, based on independent external evaluations, is approved by the NR&E Committee and the Board of Directors.

| | |
|---|---|
| Persons Eligible for Stock Options | - |

Supplementary Explanation for Applicable Items

-

### Director Remuneration

| Status of Disclosure of Individual Director's Remuneration | Disclosure for Selected Directors |
|---|---|

Supplementary Explanation for Applicable Items

The 61st Ordinary General Meeting of Shareholders held on 25 June 2015 passed a resolution setting the limit of remuneration for Directors at the annual amount of JPY 400 million or less (of which annual remuneration for Outside Directors is JPY 30 million or less, and excluding employee salaries). The 61st Ordinary General Meeting of Shareholders held on 25 June 2015 also passed a resolution setting the limit of remuneration for Corporate Auditors at the annual amount of JPY 70 million or less.

■ Remuneration for Officers in the fiscal year ended in March 2026 (1 April 2025 to 31 March 2026).

| Category of officer | Total amount of remuneration (JPY mil.) | Total amount by type of remuneration (JPY mil.) | | | | Number of officers covered (persons) |
|---|---|---|---|---|---|---|
| | | Basic remuneration | Non-monetary remuneration (Stock compensation) | Bonus | Retirement benefits | |
| Directors (excluding Outside Directors) | 203 | 123 | 79 | - | - | 3 |
| Corporate Auditors (excluding Outside Corporate Auditors) | 15 | 15 | 0 | - | - | 1 |
| Outside Officers | 32 | 32 | 0 | - | - | 4 |

*No directors concurrently serve as an employee.
*The above non-monetary remuneration is the amount of provision for allowance for stock remuneration in the fiscal year under review.

■ Total amount of consolidated remuneration for Directors for whom the total amount of consolidated remuneration is JPY 100 million or more

| Name | Category of officer | Category of Company/ Corporation | Total amount of remuneration (JPY mil.) | Total amount by type of remuneration (JPY mil.) | | |
|---|---|---|---|---|---|---|
| | | | | Basic remuneration | Non-monetary remuneration (Stock compensation) | Bonus |
| Kunihiko Kashiwaya | Representative Director | Reporting Company | 109 | 64 | 44 | — |

| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
|---|---|

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Refer to the "Supplementary Explanation" in " Incentives" above.

### Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

There is no full-time staff for Outside Officers, but the general affairs department and the audit office support Outside Directors and Outside Corporate Auditors, respectively. Materials for Board of Directors meetings are provided to Outside Officers in advance, and briefings on important matters are held before meetings to ensure ample time for thorough discussion. Agenda materials and minutes of Management Meeting can be viewed by Outside Directors at any time.

## 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

Overview of the current system

1. Business execution system

In addition to the Board of Directors, the Company has established a Management Meeting to which the authority for business execution is delegated. It discusses and implements specific measures for the management plans and strategies resolved by the Board of Directors, thereby realizing agile business execution. Furthermore, as a voluntary advisory body to the Board of Directors, the Company has established the Nomination and Remuneration, Environmental, etc., Committee (NR&E Committee). The Committee holds discussions and reports to the Board of Directors medium- to long-term management challenges and sustainability priorities, focusing on executive appointment and dismissal, executive remuneration, succession planning, and personnel issues, along with specific measures and progress made in addressing them.

○The Board of Directors: 5 Directors, including 2 independent Outside Directors (Mr. Kunihiko Kashiwaya, Representative Director, Chief Executive Officer, Mr. Keiichi Yoshida, Representative Director, Senior Managing Executive Officer, Mr. Tomonori Tsuchiya, Representative Director, Senior Managing Executive Officer, Mr. Tsuyoshi Yamada, Outside Director, Ms. Eriko Satonaka, Outside Director). As a general rule, the Board of Directors meets monthly to discuss management strategies and plans in response to changes in the business environment, and to receive reports from Executive Officers on progress toward achieving these plans.

○Management Meeting: A decision-making body for business execution, composed of the following members (7 men, 1 woman)

- NICIGAS: Chief Executive Officer, General Managers of the Sales Headquarters, General Managers and Deputy General Managers of the Corporate Headquarters, full-time Corporate Auditor
- Group Company President, Executive Officers

In principle, the members meet once a month to receive reports on the status of business operations from each department (4-5 agenda items per month) and discuss and implement specific measures for management plans and strategies resolved by the Board of Directors, thereby enhancing agile business execution. In addition, significant IT investments are reviewed by the Investment Committee, a subordinate body, prior to discussion at the Management Meeting, and a system is in place to monitor post-investment progress as appropriate.

○The NR&E Committee: This Committee, which serves as a voluntary advisory body to the Board of Directors, is composed of 3 members, the majority of whom are Outside Directors. In addition to governance matters such as the nomination, remuneration, and succession planning of Directors and Executive Officers, key themes such as environmental and human capital strategy are discussed as medium- to long-term management issues, and reports are provided in response to consultations from the Board of Directors.

<Member of the NR&E Committee>

Chairman: Mr. Tsuyoshi Yamada, Outside Director
Member : Ms. Eriko Satonaka, Outside Director
: Mr. Kunihiko Kashiwaya, Representative Director, Chief Executive Officer

2. Auditing system

The Company's Board of Corporate Auditors consists of 1 Full-Time Corporate Auditor (Mr. Takafumi Suzuki) and 2 independent Outside Corporate Auditors (Mr. Takao Orihara and Mr. Tatsunaga Fumikura).

* For the career histories of Mr. Takao Orihara and Mr. Tatsunaga Fumikura, refer to [Audit and Supervisory Board Member] in 1. Organizational Composition and Operation under II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management above.

The Board of Corporate Auditors holds monthly meetings before meetings of the Board of Directors and holds an extraordinary meeting as needed. The Corporate Auditors attend the meetings of the Board of Directors to audit the proceedings and content of resolutions and actively express opinions, and also conduct audits of the business execution of Directors, Executive Officers and the heads of departments and sections. In addition, the Board of Corporate Auditors audits the business execution of Directors by maintaining close cooperation with the accounting auditor and the audit office, which is an internal control unit, including receiving a report on the implementation status of audits from them.

Names of Certified Public Accountants who executed accounting audit services (Name of the audit firm, Number of consecutive years of audit):
Mr. Kiyoshi Asada (Kyoritsu Audit Corporation, 7 years) and Mr. Yasumasa Iwakiri (Kyoritsu Audit Corporation, 6 years), as well as 6 other certified public accountants as assistants engage in accounting audit services.

### 3. Reasons for Adoption of Current Corporate Governance System

- The Company elected a corporate governance system of a company with an Audit and Supervisory Board. This is because, the Company believes that a system that allows each Corporate Auditor to exercise audit authority in a speedy manner is appropriate, considering the size of the Group's business and the organizational structure of the company, while emphasizing a well-balanced control of its unique business model by both internal and external directors.
- The Board of Directors is composed of 60% Internal Directors, as the Company believes that decision-making by directors who have in-depth knowledge of the business is important. On the other hand, the NR&E Committee, in which a majority of members are composed of Outside Directors and the chairman is an Outside Director, has been consulting with the Board of Directors regarding nomination and remuneration functions.
- This system ensures the soundness, transparency, and efficiency of management, and ensures the appropriateness of operations.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

| | Supplementary Explanation |
|---|---|
| Early dispatch of Notice of the General Meeting of Shareholders | For the 72nd Ordinary General Meeting of Shareholders (held on 25 June 2026), the Company commenced electronic provision on Wednesday, 27 May 2026, and dispatched the written notice on Wednesday, 3 June 2026. |
| Scheduling of the General Meeting of Shareholders to avoid concentrated days | The 72nd Ordinary General Meeting of Shareholders was held on Thursday, 25 June 2026, to avoid the date when most meetings are concentrated. |
| Electronic Exercise of Voting Rights | The Company has implemented the exercise of voting rights electronically |
| Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights | The Company participates in an electronic voting platform for institutional investors operated by ICJ, Inc. |
| Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English | The notice of convocation is prepared in English and then posted on the Company's website and the Listed Company Search page on the website of the stock exchange (Tokyo Stock Exchange website), on the same day as the Japanese version |

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|---|---|
| Other | For the 72nd Ordinary General Meeting of Shareholders, the Company began distributing the notice of convocation electronically 29 days prior to the meeting date. In addition, the Annual Securities Report was filed 6 days prior to the date of the General Meeting of Shareholders. |

## 2. Status of IR-related Activities

| | Supplementary Explanation | Explanation by a representative director or a representative executive officer |
|---|---|---|
| Formulation and Publication of Disclosure Policies | The Company established a policy for information disclosure to stakeholders by establishing the Disclosure Policy. This Policy is posted on the Company's website.<br>(Link: https://www.nichigas.co.jp/en/disclosure) | |
| Convene periodic Investor Briefings for Analysts and Institutional Investors | The Company holds a result briefing in the form of a conference call on the day of the results announcement. Corporate Strategy/IR Department, General Manager, provides explanations and answers questions from investors. In addition, the Company holds business strategy meetings every year, where the Representative Director, Chief Executive Officer (CEO), Representative Director, Senior Managing Executive Officers, and other Officers explain business strategies and sustainability strategies.<br><br>- FYE 03/26 Financial Results and Medium-Term Management Plan (Three-Year Plan) Briefing: Held online in April 2026. The videos of the meetings are disclosed in “Business Strategy Meeting” on the Company’s website in both Japanese and English. (Link: https://www.nichigas.co.jp/en/ir/library/meeting)<br><br>At the April 2026 FYE 03/26 Financial Results and Medium-Term Management Plan (Three-Year Plan) Briefing, Representative Director, CEO, Mr. Kashiwaya reflected on the previous Three-Year Plan and explained about the new Three-Year Plan, as well as what the Company strives for in the medium- to long-term plan. Representative Director, Senior Managing Executive Officer (also serving as Representative Director, President and CEO of Energy Sola Co., Ltd.), Mr. Yoshida, outlined the growth strategy for the Platform business. Representative Director, Senior Managing Executive Officer, and General Manager of the Sales Headquarters, Mr. Tsuchiya, presented the growth strategy of Energy Retail. General Manager of the Corporate Strategy/IR Department, Mr. Hayashi, explained | Held |

| | | |
|---|---|---|
| | about FYE 03/26 results and FYE 03/27 plan.<br><br>- Thematic Meetings: 4 meetings were held in FYE 03/26. At the online meeting held in September 2025, Executive Officer, General Manager of the Electricity Business Department, Mr. Shimizu, presented as the speaker, outlining the Company's strengths, growth potential, and medium- to long-term vision in its Electricity business.<br><br>- Yume no Kizuna Tour Events: The Company annually hosts a tour of the Yume no Kizuna Kawasaki, one of the world's largest LP gas filling plants, for both domestic and overseas investors. The Company provides an explanation of the Group's AI -driven efficient logistics operations, which is a core source of the Company's competitiveness, while participants tour the actual facilities. | |
| Convene periodic Investor Briefings for Overseas Investors | In addition to individual IR meetings, the Company holds small meetings for overseas investors (IR meetings attended by 5-10 participants) and explains its business strategies and capital strategy to overseas investors on online and other platforms. At the online meeting held in June 2025, the Company explained its strategy for consolidating the LP gas industry toward achieving a market capitalization of ¥500 billion in FYE 03/31, including details on the required scale of acquisitions and expected synergies. | Held |
| Online Disclosure of IR Information | Materials related to financial results, the growth story, capital strategy, IR news, and the video of explanatory meetings are posted on the website in both Japanese and English.<br>(Link: https://www.nichigas.co.jp/en/ir) | |
| Establishment of Internal Rules and Departments (person in charge) related to IR | The Corporate Strategy/IR Department operates under the supervision of the Managing Executive Officer, Head of Corporate Headquarters, with 5 dedicated staff members.<br>- Contact: Corporate Strategy/IR Department<br>- Phone: +81-3-5308-2116 (Available in Japanese and English) | |

### 3. Status of Measures to Ensure Due Respect for Stakeholders

| | Supplementary Explanation |
|---|---|
| Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders | The Company sets forth commitment to respecting stakeholders as follows:<br>- The Code of Conduct for Nippon Gas Group Officers and Employees<br>- The Basic Policy for Harassment Prevention Measures in the Workplace of the Nippon Gas Group<br>- The Multi-Stakeholder Policy<br>- Declaration of Partnership Building, etc. |

| | |
|---|---|
| | Furthermore, the Group has identified potential human rights risks to all stakeholders connected to the Company and is implementing the following measures to prevent unjustified rights violations.<br>- Internal compliance awareness surveys and harassment prevention training<br>- Work style reform through the utilization of the Group's platform<br>- Established internal and external consultation channels, as well as a contact point for Corporate Auditors, and NICIGAS 110 for contractors and other business partners |
| Implementation of Environmental Preservation Activities and CSR Activities, etc. | For the implementation details, refer to [Supplementary Principle 3-1-③] (Initiatives on sustainability, Human Capital Disclosure) |
| Formulation of Policies, etc. on Provision of Information to Stakeholders | The Company's Disclosure Policy sets forth its information disclosure principles, and the Company discloses information to stakeholders in a timely and appropriate manner in accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations, as well as the Securities Listing Regulations of the Tokyo Stock Exchange.<br><br>For internal systems for the timely disclosure of corporate information, please see "V-2. Other Matters Concerning the Corporate Governance System" below. |
| Others | For the implementation details on the current status and specific initiatives regarding the promotion of women, foreign nationals, and mid-career hires to executive and managerial positions, refer to [Supplementary Principle 2-4-①] (Ensuring diversity in promotion to core human resources, etc.). |

## IV. Matters Concerning the Internal Control System

### 1. Basic Views on Internal Control System and Status of Development

1. Internal control system

- To ensure the appropriateness of its operations, the Company has established the Internal Control System Committee (Chairperson: Representative Director, Chief Executive Officer), under which the company has organized the Group Risk Management Committee (Chairperson: Executive Officer, General Manager, Legal Department), the Group Compliance Committee (Chairperson: Executive Officer, Deputy Head of Corporate Headquarters), the Information Disclosure Committee (Chairperson: Managing Executive Officer, Head of Corporate Headquarters), and the Internal Control Working Group (Chief Supervisor: Executive Officer, General Manager, Legal Department).
- The Internal Control Working Group oversees financial matters and evaluates each business process and exercises control over the entire company. Group companies also select evaluation committee members to assess each business process and discuss improvements based on these evaluations.
- With respect to the status of lawyers and other third parties, the Company cooperates with law firms. It builds a mechanism for the legal control function to work by checking with them when a legal judgment is necessary, in order to contribute to compliance management.

2. System to ensure that the execution of duties by the Directors and employees conforms to laws, regulations and the Articles of Incorporation

- The Company is a company with an Audit and Supervisory Board. With legality audits by Corporate Auditors as the basis of compliance management, the Company has constructed a framework for proactive and flexible business execution by strengthening the monitoring and advisory functions by Outside Directors and clarifying responsibilities for business execution and delegating power as a result of adopting the Executive Officer system. Based on this framework, the Company ensures soundness and transparent management.

- The Company established the "Code of Conduct for the Nippon Gas Group Officers and Employees" for officers and employees to ensure fair and proper management and a system to fulfill the social responsibilities of companies.
- With regard to dealing with antisocial forces, the Company established a policy based on the Code of Conduct for the Nippon Gas Group Officers and Employees which involves "taking a resolute stance against antisocial forces and their organizations that adversely affect social order and safety and clearly rejecting and eliminating involvement in such forces and organizations."
- The Company established a system for internal control over financial reporting in cooperation with external experts to ensure consistency with the Companies Act, the Financial Instruments and Exchange Act, and Tokyo Stock Exchange regulations.
- To strengthen the compliance, the Company established an internal reporting system, the "Group Helpline" (with internal, external and Auditor’s contact points). The Company has established a system for the early detection, avoidance, minimisation and prevention of recurrence of compliance violation risks, ensuring that the content of reports is kept confidential, that the privacy of informants is protected and they are not treated unfairly.

  For the basic policy on whistle-blowing, refer to Article 12 (Relationships with Stakeholders) of the Guidelines.

3. System for management of information on the execution of duties by the Directors

- Information on important decisions in the execution of duties, financial information, compliance risk information, etc. (including electromagnetic information): The Company appropriately manages said information in accordance with internal rules and regulations, and maintains a system that allows relevant parties to view said information in an appropriate manner.
- Information security: The Company has established the Basic Policy for Information Security of the Nippon Gas Group. The Information Security Team (Chief Supervisor: Representative Director, Senior Managing Executive Officer, Program leaders: Executive Officer, General Manager, Legal Department, Executive Officer, General Manager, Information Technology Department) addresses issues in this area from a risk management perspective.
- Personal information protection: The Company has established a Personal Information Protection Policy and internal regulations, ensuring a system for the appropriate and secure acquisition, storage, and management of personal information.
- Information disclosure: The Company has established a Disclosure Policy and internal regulations (Information Disclosure Rules) for the disclosure of important information. The Information Disclosure Committee, chaired by the Managing Executive Officer, Head of Corporate Headquarters, ensures proper, timely, and fair information disclosure in accordance with the requirements of laws and regulations and the rules of stock exchanges.

4. Regulations concerning the management of the risk of loss and other relevant systems

- The Company identifies the significance of risks from the perspectives of frequency of occurrence and impact on business, and prepares appropriate countermeasures in advance to minimize impact when losses occur. The Company has a clear understanding of the Group’s risks across the organization. Additionally, the Company has established the Group Risk Management Committee to ensure appropriate responses from both qualitative and quantitative perspectives, and manages risks in accordance with the Group Risk Management Regulations. The Group Risk Management Committee reports on situations to the Management Meeting and the Board of Directors as necessary. The Company constantly reviews the effectiveness of risk management.
- In peacetime, the Group Risk Management Committee assesses risks of the Group and determines required and sufficient response guidelines. It develops a system to reduce risks that should be controlled by ensuring that the Officers’ and employees’ training is properly provided.

- In anticipation of large-scale disasters and other situations that may cause significant damage to the Group's business, the Company is working to develop a Business Continuity Management (BCM) system. The company is also creating a Disaster Countermeasures Manual for readiness to emergencies.
- For the event of emergencies such as natural disasters, crimes, or unauthorized access to information systems, the Company has established a system for promptly reporting the situation and setting up a countermeasures headquarters to take necessary actions.

5. System to ensure that duties will be executed efficiently by the Directors

- The Board of Directors: Generally held on a monthly basis to decide on material matters and oversee the execution of business operations.
- The Management Meeting: To ensure the efficient execution of duties, the Management Meeting – composed of the Chief Executive Officer, the Sales Headquarters General Manager, the Head of Corporate Headquarters, the Deputy head of Corporate Headquarters, the Full-time Corporate Auditor, and the Presidents of Group Companies, etc. – is held, in principle, once a month.
- Through the implementation of IT Tools that leverage generative AI and other advanced technologies, the Company is promoting operational and organizational streamlining.
- To ensure appropriate information sharing and communication between executives and employees, a system for promptly communicating management policies to employees. Under this system, meetings attended by sales persons as well as managers and executives at the section manager level and above are held, in principle, once a month to share management strategies, business environment, and business progress.

  *For outlines of each meeting body, refer to 2. Matters Concerning Functions of Business Execution, Auditing, and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) under II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight above.

6. System to ensure the appropriateness of business operation of the corporate group comprising the Company and its subsidiaries

- System to report matters concerning the execution of duties by the Directors of subsidiaries to the Company
  - The Company established the Nippon Gas Group Company Management Regulations for the management of the Group companies, which require reporting to, and approval from the Company on important matters, as well as regular sharing of business management information. The Company ensures the properness of operations through a system for the efficient performance of duties by Directors of the Group companies and a system for the compliance with laws and regulations and the Articles of Incorporation by the performance of duties by Directors and employees of the Group companies.
  - The Company established a system for reporting to the Company, such as prompt reporting to the Company through a system of cooperation that includes the Group companies in the event of an emergency.
  - The audit office, which is responsible for the Company's internal audits, conducts audits of the Group companies and the Legal Department reviews internal control activities.
  - The Company ensures the smooth sharing of information throughout the NICIGAS Group and to ensure the appropriateness of operations of the entire Group.
- Regulations concerning the management of the risk of loss of subsidiaries and other relevant system
  - The Company established the Group Risk Management Regulations and has built a system to comprehensively manage the risks of the Group.
- System to ensure that duties will be executed efficiently by the Directors of the subsidiaries
  - The Group companies submit mid-term and annual business plans to the Company, and the Company manages the performance of the Group companies on a consolidated basis.
- The Company is working to consolidate and rationalize administrative operations within the Group, promote the appropriate assignment of human resources, and develop a system for the smooth execution of business operations.

7. Matters concerning an employee who should assist with the duties of Corporate Auditors and the employee's independence

- If a Corporate Auditor decides to appoint an employee to assist with their duties, the Company shall work to ensure the independence and the effectiveness of instructions of the employee by appropriately determining the number and the position of the employee(s) and whether their service will be exclusive or concurrent, and obtain consent from the Board of Corporate Auditors on the personnel transfer and evaluation of the employee(s).

8. Reporting system to the Corporate Auditors and system to ensure that audits will be conducted effectively by the Corporate Auditors

- System for the Directors and employees of the Company to report to the Corporate Auditors
  - The Company established a system to immediately report to the Corporate Auditor any fact that may cause significant damage to the Company or any violation of the Articles of Incorporation, laws, or regulations.
  - The Company established a Group Helpline (contact point for Corporate Auditors) to ensure the independence and transparency from the management.
- System for the Officers and employees of subsidiaries or persons who received a report from them to report to the Corporate Auditors of the parent company
  - The Company established a system under which Directors, employees, etc. of the Group companies report to the Company's Corporate Auditors any facts that they discover that may cause significant damage to the Company or its Group. In addition, when requested by the Company's Corporate Auditors to report on matters concerning the execution of business operations, Officers, Directors, employees, etc. of the Group shall promptly make appropriate reports. In addition, the Group's internal audit department established a system to report the results of internal audits of the Group companies to the Company's Corporate Auditors.
- System to ensure that a person who made a report to the Corporate Auditors will not experience detrimental treatment as a result
  - The Company shall establish internal regulations to the effect that officers and employees who made a report to the Corporate Auditors will not experience detrimental treatment as a result.
- Matters concerning the policy for the treatment of expenses or obligations arising from the execution of duties by the Corporate Auditors
  - The Company shall secure a budget for audit expenses.

9. System to ensure the reliability and appropriateness of financial reporting

- The Company regards ensuring the reliability and appropriateness of financial reporting as a critical management responsibility. The basic policy of the Company is to establish an appropriate internal control system for the entire Group under the leadership of the Representative Director, Chief Executive Officer.
- To ensure the reliability and appropriateness of financial reporting, the Audit Office and the Financial Department verify the status of development and operation of internal control systems and make an appropriate report to the Board of Directors and the Board of Corporate Auditors. In this way, the Company has developed a system for the Board of Directors and the Board of Corporate Auditors to be able to continuously monitor the situation.

## 2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

(1) Basic views on eliminating anti-social forces

- With regard to dealing with antisocial forces, the Group established a policy based on the Code of Conduct for the Nippon Gas Group Officers and Employees which involves "taking a resolute stance against antisocial forces and their organizations that adversely affect social order and safety and clearly rejecting and eliminating involvement in such forces and organizations."

(2) Status of efforts for eliminating anti-social forces

- The Company has no relationship with antisocial forces or related organizations that threaten the order and safety of society. Furthermore, the Group firmly rejects any demands from them and maintains a policy of not conducting any transactions with companies, organizations, or individuals that are associated with such forces or related organizations. In the event that the Company receives undue demands from antisocial forces or related groups, the Company, under the leadership of the Legal Department, in charge of the matters, works closely with the police, law firms, etc., to ensure that the Company responds appropriately.

## V. Other

### 1. Adoption of Anti-Takeover Measures

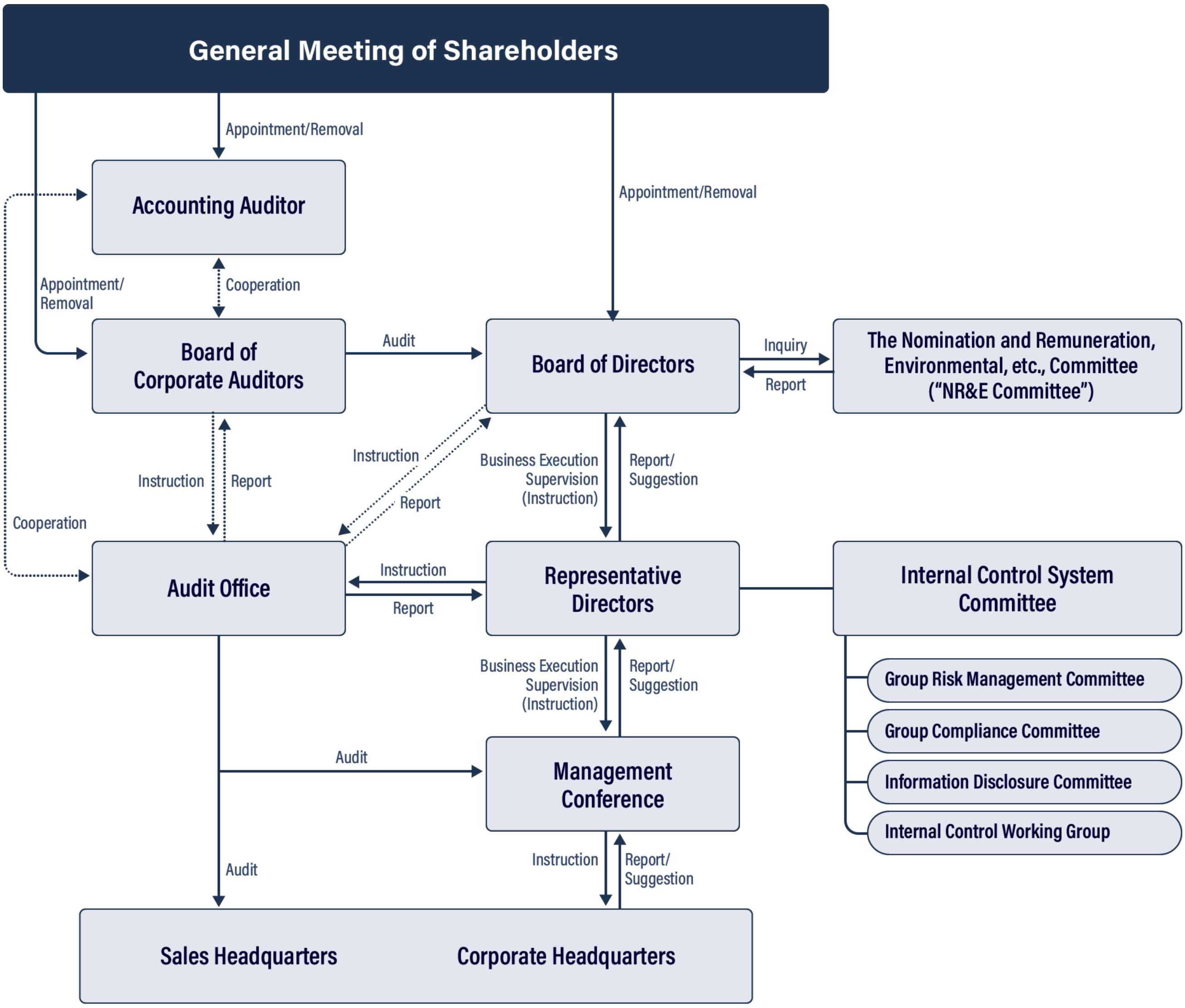
| | |
|---|---|
| Adoption of Anti-Takeover Measures | Not Adopted |

Supplementary Explanation for Applicable Items

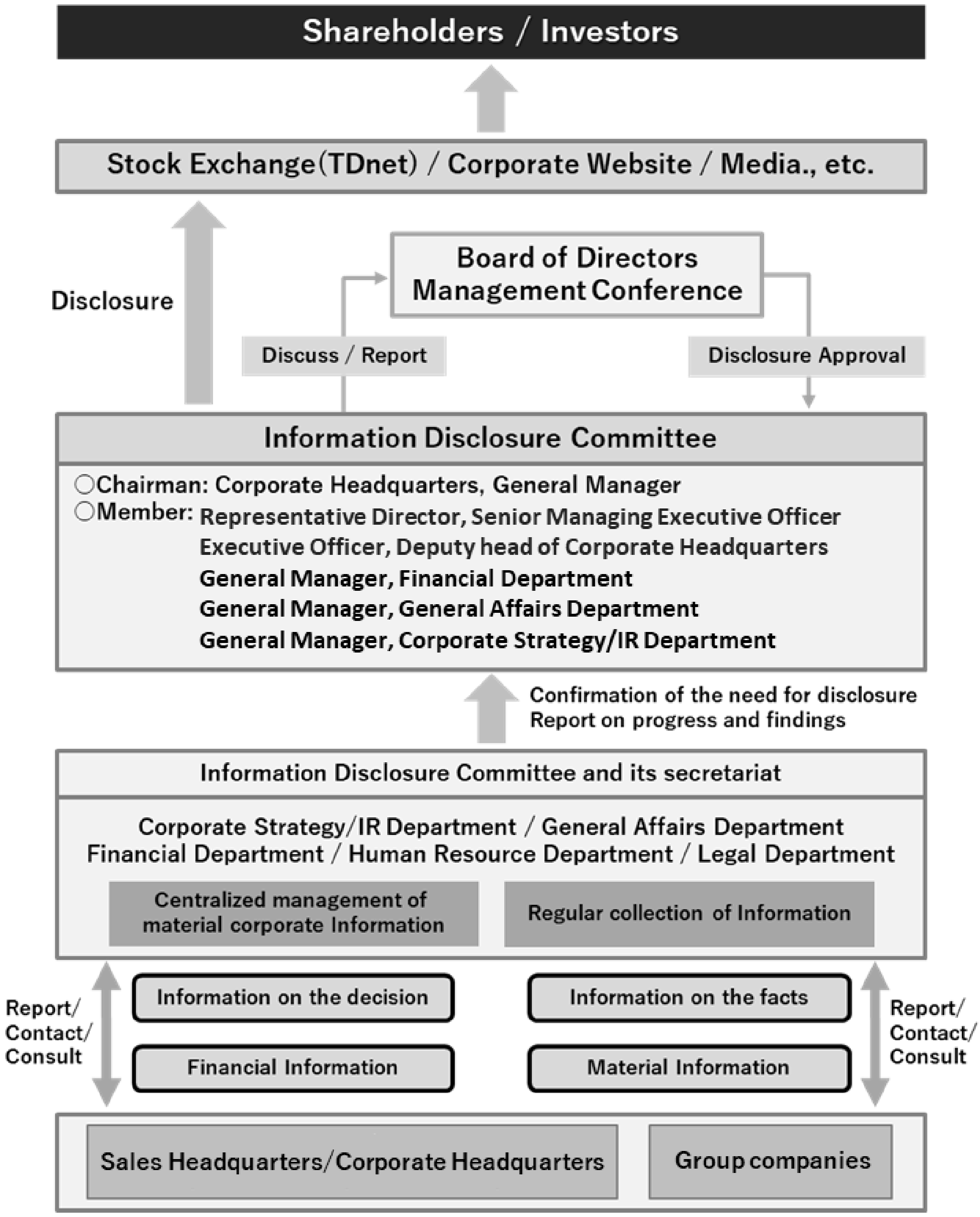
The Company abolished the corporate value enhancement plan (anti-takeover measures) at the 63rd General Meeting of Shareholders held on 28 June 2017. In the event of a sincere proposal for the acquisition of the Company's shares from another company, the Company will consider that proposal sincerely from the perspective of the interests of its shareholders and other stakeholders and the medium- to long-term improvement of the Group's corporate value. In addition, the Company will request the provision of necessary and sufficient information for its shareholders to appropriately decide about the acquisition, disclosing the opinions of its Board of Directors. The Company will also ensure that its shareholders have sufficient time and information, and will take appropriate measures based on the Financial Instruments and Exchange Act, the Companies Act and other relevant laws and regulations.

### 2. Other Matters Concerning the Corporate Governance System

**■The Corporate Governance System is as follows.**




**■The internal system for timely disclosure of corporate information is as follows.**




1. Basic policy for the timely disclosure of corporate information

・The Company recognizes that the timely, appropriate, and fair disclosure of information to all stakeholders forms a foundation of a sound capital market. Accordingly, the Company's basic policy is to disclose its corporate information in accordance with relevant laws and regulations, such as the Financial Instruments and Exchange Act, and the Securities Listing Regulations of the Tokyo Stock Exchange.

2. Internal systems for timely disclosure of corporate information

・The Company established the Information Disclosure Committee (Chairman: Managing Executive Officer, Head of Corporate Headquarters) to determine important information, the need for disclosure and disclosure methods. Corporate Headquarters, General Manager is in charge of information on finance and accounting, and the Information Disclosure Committee is in charge of the drafting and disclosure of specific content for other information to be published according to its supervision.

・The Company shall promptly follow procedures on the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange and will post disclosure information on its website.

(1) Information on corporate decisions

Information on corporate decisions shall be disclosed after the resolution of the Board of Directors or the Management Meeting in accordance with the Regulations of Administrative Authority. In an emergency, it shall be disclosed by obtaining approval from the Representative Directors, Chief Executive Officer.

(2) Information on occurrence of important matters

If important matters concerning the operation, business or property of the Group that could have a material impact on the judgment of shareholders and investors on securities have occurred, they shall be actively disclosed by the Chairman of the Information Disclosure Committee (Managing Executive Officer, Head of Corporate Headquarters) after obtaining approval from the Representative Director, Chief Executive Officer.

(3) Financial and other disclosure information

Disclosure information on financial results shall be prepared by the Financial Department, and disclosed after the resolution of the Board of Directors. In addition, the Corporate Strategy/IR Department shall work to improve the quality of communication with shareholders and investors by preparing supplementary materials for financial information.

# Corporate Governance Guidelines

25 June 2026

Nippon Gas Co., Ltd.

## Chapter 1 General Provisions

Article 1 Purpose

The purpose of the Corporate Governance Guidelines (the "Guidelines") is to specify the framework for and management policies regarding corporate governance of Nippon Gas Co., Ltd. (the "Company") and the Nippon Gas Group (the "Group") for the purpose of maintaining sustainable growth and realizing the improvement of corporate value over the medium- to long-term in accordance with the management philosophy of the Group.

Article 2 Management philosophy

The Group's management philosophy is as described below.

(1) Contributing to Local Communities
Support lives that are more comfortable for our customers by guaranteeing safe, reliable and appropriately priced energy with a small environmental footprint through supply methods optimized for local communities, and contribute to environmental protection and disaster preparedness efforts in those communities. Furthermore, as a member of local communities, we take an active role in improving their value, and we believe that by fulfilling our tax obligations, we are also contributing to society.

(2) Aiming for Sustainable Corporate Growth
We believe that contributing to local communities and growing our customer base reinforce our business foundation, and we are working hard to improve long-term corporate value by ensuring reasonable profits and making efficient investments. Furthermore, we are striving to improve shareholder value through continual and stable dividends, accompanied by a strong internal control system.

(3) Holding Human Resources in High Regard
We believe that human resources, including our own employees, are crucial assets supporting our corporation. Operating in a manner that enables us to maximize the potential of our employees, so that we can offer services that are tailor-made for our customers, is essential to sustainable corporate growth. The happiness of our employees, business partners, and their families is the essential underpinning therein, and we aim to further improve it through our business efforts.

Article 3 Fundamental concept regarding corporate governance

The Group believes its initiatives to enhance sustainable corporate value based on the management philosophy will build relationships of trust with and meet the expectations of its stakeholders, including shareholders, investors, customers, business partners, employees, local communities. Based on this approach, the Group seeks to interactively communicate with the stakeholders and to build a corporate governance system that is effective as the basis for ensuring transparency of its management. The Group believes that constructive dialogue with shareholders and investors is particularly important for enhancing corporate value over the medium- to long-term. Therefore, the Group strives to understand the perspectives of shareholders and investors and take appropriate actions.

## Chapter 2 Securing Rights and Equal Treatment of Shareholders

Article 4 General meeting of shareholders

The Company regards the general meeting of shareholders as the highest decision-making body and shall ensure an adequate period for shareholders to exercise their rights and establish an environment in which shareholders can appropriately exercise their voting rights. Moreover, considering that meeting of shareholders is an opportunity for constructive dialogue with shareholders, the Company shall hold general meetings of shareholders at a location with good access, by avoiding as much as possible the days when general meetings of shareholders of other listed companies are concentrated. In the event that the Board of Directors determines that it is not appropriate, in light of the interests of shareholders, to hold a general meeting of shareholders at a designated venue due to the spread of an infectious disease or the occurrence of a natural disaster, the Board of Directors may hold a general meeting of shareholders without a designated venue. The Company shall disclose reference documents and other materials on its web pages. For shareholders who are unable to attend a general meeting of shareholders, it shall adopt the method of sending voting instructions forms to such shareholders and the method of using the Internet.

2. If a shareholder indicates in advance his/her intention to exercise voting rights of shares held under the name of a trust and banking company, etc., the Company shall discuss the treatment of the matter with the trust and banking company, etc. Diverse exercise of voting rights based on instructions from substantial shareholders is made available by the Company.
3. Taking into consideration the ratio of institutional investors and overseas investors in its shareholders, the Company shall introduce a platform for electronic exercise of voting rights and disclose the English version of notice of convocation of general meeting of shareholders (reference materials) on its web pages.
4. In the event that a substantial number of negative votes has been cast at a general meeting of shareholders against a proposal by the Company, it shall analyze the reasons for the opposing votes from the substantial number of shareholders at a meeting of the Board of Directors held after the close of the general meeting of shareholders and take measures for response, including referring to policies of voting advisory companies, etc.

Article 5 Securing equal treatment of shareholders

The Company shall hold financial results briefings no less than 4 times a year and business strategy meetings every year, in principle, and with regards to business strategy meetings, post the video of the briefings (both in Japanese and English) on its web pages for viewing by all shareholders equally. Moreover, regarding rights of minority shareholders prescribed by the Companies Act, the Company shall give due consideration in facilitating exercise of minority shareholder rights by stipulating the method of exercising their rights in its Share Handling Regulations.

2. In order to substantially secure equal treatment of all shareholders and contribute to appropriate exercise of their rights, the Company shall implement necessary information disclosure as appropriate by providing documents whose disclosure is legally required and by posting information, including English translation, on its web pages and integrated reports.

Article 6 Capital policies

Regarding capital policies, which are targeted at raising the optimum amount of capital that will maximize the performance of shareholders' equity, the Company shall raise capital based on the stage of its business. The Company shall also increase the performance of shareholders' equity by allocating cash generated from its business to investments to enhance its corporate value in the medium- to long-term and by returning it to shareholders to strengthen shareholder returns without holding unnecessary shareholders' equity. The Company shall provide explanations of its capital policies through individual investor relations interviews, financial results briefings, business strategy meetings, integrated reports and other means.

Article 7 Cross shareholding

The Company has a policy of not holding its cross shareholdings, in principle. The Group holds shares for strategic purposes only if doing so is deemed to be consistent with its medium- to long-term strategies and is expected to enhance corporate value over that period.

Article 8 Protection of shareholders' rights

When the Company implements capital policies that involve changes in control or significant dilution, it shall fully consider the interests of existing shareholders, and the Board of Directors shall discuss and resolve on the necessity of such policies from the standpoint of shareholders. The Company shall provide sufficient explanations to shareholders to demonstrate that these capital policies contribute to the enhancement of the Company's corporate value.

## Chapter 3 Relationships with Stakeholders

Article 9 Code of conduct

The Company established the Code of Conduct for the Nippon Gas Group Officers and Employees for stakeholders to realize the Company's management philosophy. To foster a corporate culture and climate in which the rights of stakeholders are respected, each of the Officers and employees shall recognize the importance of conducting sound business activities in compliance with laws, regulations and social norms. The Company believes that this business attitude will build sound trade relations with stakeholders as well as contribute to the development of society and lead to the earning of a high degree of trust and recognition from society through the Group's business activities.

Article 10 Related party transactions

In planning a transaction with Officers, major shareholders or other related parties, the Company shall observe the Company Act, other relevant laws and regulations, the Regulations of the Board of Directors and other internal rules, and obtain the approval of the Board of Directors, as necessary. The approval of the Board of Directors shall be subject to confirmation of the appropriateness and economic rationality of the contemplated transaction, including whether the content thereof is based on general trading conditions.

2. When a transaction approved by the Board of Directors is executed, the content thereof shall be reported at a meeting of the Board of Directors in accordance with relevant laws and regulations, and internal rules. The Company established a monitoring system for preventing the exacerbation of concerns that the interests of the Company and common interests of shareholders would be impaired.

Article 11 Performance of functions as asset owner of corporate pensions

The Company is not considered an asset owner of corporate pensions because the Company has not introduced a corporate pension system.

Article 12 Relationships with Stakeholders

The Group considers that amicable relationships with shareholders are important for sustained growth of a corporation and this concept is stipulated in the Group's management philosophy.

2. The Group believes that the active roles of diverse human resources can be a significant engine for a corporation's growth.
3. The Company shall establish the Group Help Line (internal contact: Audit Office, external contact: a law firm, corporate auditor's contact: a Full-time Corporate Auditors), an internal whistle-blowing system, by establishing the Group Helpline Regulations. Further, the Company shall establish a system for early detection, prevention of recurrence, and minimization of risks, and conduct compliance-focused management, giving utmost consideration to the privacy of whistleblowers, including officers and employees of the Group, and explicitly stipulating in its internal rules that the content of whistleblower reports shall be kept confidential and that dismissal or any other disadvantageous treatment of whistleblowers shall be prohibited.

## Chapter 4 Information Disclosure

Article 13 Information disclosure

Considering that disclosure of important financial and non-financial information is necessary for obtaining the appropriate understanding of Stakeholders, the Company shall implement appropriate information disclosure pursuant to the Companies Act, the Financial Instruments and Exchange Act, other relevant laws and regulations and the rules prescribed by the Tokyo Stock Exchange, positively disclose in information provision, other than disclosure required under laws and regulations, and ensure that information provided by the Company is clear and highly useful for all the stakeholders.

## Chapter 5 Corporate Governance System

Article 14 Institutional design

The Company regards the enhancement of transparent management, the realization of Stakeholder satisfaction through the fulfillment of its management philosophy and the permanent improvement of corporate value as important management tasks.

2. The Company has elected to operate as a company with a board of corporate auditors. It shall establish an optimized governance system that is highly transparent to Stakeholders by ensuring that the Board of Directors, which includes no less than two Outside Directors, makes final decisions regarding important issues through effective use of Corporate Auditors' functions based on close collaboration with the Board of Corporate Auditors, which includes no less than two Outside Corporate Auditors, and enhancing the function to supervise management.
3. In addition to the Board of Directors, the Company shall also establish a Management Meeting to which the authority for the execution of business realizing the content of its resolutions is to be delegated. Furthermore, as a complementary mechanism to the Board of Directors, the Company shall establish the Nomination and Remuneration, Environmental, etc., Committee (NR&E Committee) as a voluntary advisory body, the majority

of whose members are Outside Directors and chaired by an Outside Director. Based on these systems, the Company shall realize the sustained corporate value improvement through the evolution of its offensive and defensive management and by quickly and flexibly responding to changes in the business environment, with the Group working together as one.

Article 15 Roles and responsibilities of the Board of Directors

The Board of Directors comprises Internal and Outside Directors, and it shall be an appropriate size that enables prompt decision making and supervision.

2. Matters to be referred for discussion in meetings of the Board of Directors shall be stipulated in the Regulations of the Board of Directors. Moreover, the Company advances the transfer of authority to Management Meeting and departments responsible in accordance with the Regulations of Management Meeting and the Regulations of Administrative Authority in order to expedite decision making in the execution of business. The Board of Directors oversees the effectiveness of overall business operations in order to promote efficient business execution.
3. The Board of Directors shall communicate major directions in corporate strategies and management plans, etc. based on the management philosophy and provide an environment that supports the management team to assume appropriate levels of risk.
4. The Board of Directors shall formulate a management plan according to changes in the business environment and shall confirm the degree of attainment of the said plan. If there is a shortfall, its causes and corrective measures shall be disclosed in reports, etc. and reflected in the management plan for the next and following year.
5. In terms of internal control, the Company has established the Internal Control System Committee and its subordinate organs, which include the Group Compliance Committee, the Group Risk Management Committee, the Information Disclosure Committee, and the Internal Control Working Group, putting in place a structure for the execution of business in an efficient manner. The Internal Control Working Group oversees internal control over financial reporting and appoints its members to assess the development and operation of Group-wide control and of each business process. Internal control reports based on the Financial Instruments and Exchange Act are referred to the Board of Directors, which uses them to confirm the effectiveness of internal control. The Board of Directors evaluates the operation of the internal control system and reviews the system.
6. The Board of Directors shall formulate the Company's final policy on sustainability initiatives as discussed by the NR&E Committee and supervise the execution of operations in accordance with such policy.
7. To implement the matters described in the preceding paragraphs, the Board of Directors shall have a structure with an optimal scale that consists of members who have extensive capabilities in a balanced way.

Article 16 Operation of the Board of Directors

A meeting of the Board of Directors shall be conducted by a chair in such a manner that promotes and ensures free, vigorous and constructive discussion about issues and questions presented by the Outside Directors or Outside Corporate Auditors.

2. The secretariat of the Board of Directors shall deliver meeting materials to the Board members in advance. The Company holds pre-briefings for complex agenda items to help Outside Officers deepen the understanding on the issues, thereby revitalizing discussions at Board of Directors meetings. Moreover, provide other information as necessary, upon request from Outside Directors or Outside Corporate Auditors.
3. Schedules for meetings of the Board of Directors shall be determined in an annual plan.

Article 17 Roles of Corporate Auditors and the Board of Corporate Auditors

Based on the recognition of their fiduciary responsibility to shareholders and with the aim for continuous improvement of corporate value of the Company, Corporate Auditors shall audit, as an independent organ, the Directors’ performance of their duties.

2. To ensure fair decision making, Corporate Auditors shall participate in meetings of the Board of Directors, examine contents of agenda and provide advice for facilitating discussions. Moreover, Corporate Auditors shall provide information to and exchange opinions with Outside Directors at meetings of the Board of Directors and through other opportunities for the purpose of contributing to Outside Directors’ efforts to collect information.
3. Corporate Auditors shall implement the following measures for improving audit functions:
   (1) Exchange of information, etc. in collaboration with the Audit Office and the accounting auditor and by holding Three-Way Auditing; and
   (2) Full-time Corporate Auditors shall conduct audits of lawfulness of the Company’s business operations by means of participation and declaration of opinions in the Management Meeting, Internal Control System Committee and other important meetings, on-site audits of the Company’s business offices,

exchange of opinions with Representative Directors, interviews with Executive Officers and division managers and inspection of important management documents and through the use of various other methods, according to audit policies and plans determined by the Board of Corporate Auditors.

4. The Board of Corporate Auditors shall consist of all Corporate Auditors including the Outside Corporate Auditors and it shall prepare audit reports. In addition, the Board shall determine in accordance with laws and regulations and the Articles of Incorporation, etc. various matters, including audit policies and methods of investigating the status of the Company's business operations and financial affairs and other matters concerning the Corporate Auditors' performance of their duties.
5. The Company shall appoint one or more Corporate Auditors who have appropriate knowledge and insight regarding financial affairs and accounting.
6. The Board of Corporate Auditors shall seek to collaborate with the Audit Office and managers of each department in conducting audits and with accounting auditors' firms to hold regular discussions.

Article 18 Responsibilities and obligations of Directors and Corporate Auditors

Recognizing their fiduciary responsibility to shareholders, Directors and Corporate Auditors shall hold dialogues with Stakeholders through various opportunities and conduct themselves based on the perspective that improvements in corporate value will contribute to the interests of shareholders.

Article 19 Roles and responsibilities and obligations of Independent Outside Directors

Based on their professional knowledge, Independent Outside Directors of the Company shall participate in discussions about agenda submitted to the Board of Directors, including those regarding management policies, investment, human resources (appointment and dismissal of top-level executives) and approval of conflict-of-interest transactions, express opinions and engage in voting, thereby conducting supervision over important decision making, etc. of the Board of Directors. Moreover, Independent Outside Directors shall monitor any conflict of interests between the Company and the management team or controlling shareholders, etc. and express their opinions regarding agenda, etc. involving minority shareholders, etc., from their standpoint independent from the management team.

Article 20 Accounting auditor

The Board of Corporate Auditors shall formulate criteria for the selection of accounting auditors in the Regulations of the Board of Corporate Auditors and confirm the independence of the accounting auditor by taking into consideration the opinions of Outside Corporate Auditors.

2. The Board of Corporate Auditors shall endeavor to secure audit schedules and systems and ensure the implementation of appropriate audits by the accounting auditor.
3. The accounting auditor, the Board of Corporate Auditors and Audit Office shall hold Three-Way Auditing regularly (quarterly, in principle). Moreover, at the request of the accounting auditor, interviews shall be held, as appropriate.
4. In the event that the accounting auditor finds fraud, etc., it shall report to the Board of Corporate Auditors. The Company shall establish a system under which opinions of lawyers shall be sought depending on the importance of these issues and such events shall be disclosed promptly as necessary.

Article 21 Policies and procedures for appointment and dismissal of Directors, etc. and nomination of candidates for Directors and Corporate Auditors

Candidates for Directors, Executive Officers ("Directors, etc.") and Corporate Auditors shall be nominated from among those persons, regardless of gender, age and nationality, who can fully carry out their duties by sufficiently taking into consideration each candidate's personality, insight, etc. All Executive Officers shall be delegated Executive Officers.

2. The nomination and dismissal of candidates for Directors, etc. shall be proposed to the Board of Directors by the NR&E Committee, which is an advisory body to the Board of Directors, following discussion, and the Board of Directors shall approve the proposal. The nomination and dismissal of candidates for Corporate Auditors shall be proposed to the Board of Corporate Auditors by the NR&E Committee, after deliberation, and upon obtaining the consent of the Board of Corporate Auditors, the Board of Directors shall approve the proposal. Proposals for the appointment of candidates for Directors and Corporate Auditors and the dismissal of Directors and Corporate Auditors which have been approved by the Board of Directors shall be submitted to a general meeting of shareholders.
3. Criteria for assessing the independence of outside Officers of the Company shall be governed by the independence standards prescribed by Tokyo Stock Exchange.

4. At least two Independent Outside Directors shall be appointed as part of the members of the Board of Directors.
5. Career backgrounds, etc. of each Director and Corporate Auditor and reasons for the election of candidates for Outside and Internal Directors and Corporate Auditors shall be disclosed in the Notice of the Ordinary General Meeting of Shareholders and Integrated Report, etc. Reference materials attached to the Notice of the Ordinary General Meeting of Shareholders shall be disclosed under "Shareholders' Meetings" on the Company's website.

### Article 22 Policies and procedures for determining remuneration for Directors, etc.

Remuneration for Directors, etc. consists of performance-linked basic remuneration (short-term incentives) and stock-based remuneration (medium- to long-term incentives) that aims to increase Directors' awareness of linkage with shareholder value. Basic remuneration for Directors, etc. is determined by the Representative Director, Chief Executive Officer, and the Officer in charge of the Human Resource Department, who are delegated by the Board of Directors, in accordance with policy determining the amount of remuneration for individual Directors approved by the NR&E Committee, based on internal evaluations and the evaluation of independent Outside Evaluators with deep insights into management.

## Chapter 6 Preconditions for Ensuring Effectiveness of the Board of Directors and the Board of Corporate Auditors

### Article 23 Concurrent holding of positions

The status of concurrent holding of important positions by Directors and Corporate Auditors and by candidates for Directors and Corporate Auditors shall be disclosed in notices of general meeting of shareholders and securities reports.

### Article 24 Assessment of effectiveness of the Board of Directors

The Company shall assess the effectiveness of the Board of Directors according to the following process and disclose a summary of the results.

- A questionnaire is administered by a third-party financial institution to members of the Board of Directors regarding items for example (1) the structure and operation of the Board of Directors, (2) strategies and implementations, (3) risk and crisis management, (4) corporate ethics, (5) management assessment, and (6) dialogue with shareholders and investors.
- Based on each Director's self-assessment of their performance and the results of the above questionnaire, the Board of Directors confirms its effectiveness after obtaining analysis results from a third-party financial institution.

## Chapter 7 Obtainment of Information and Support System

### Article 25 Access to internal information by Directors and Corporate Auditors

Directors and Corporate Auditors may obtain information regarding the Company as necessary.

2. The contact point for requests for documents from Outside Directors and Outside Corporate Auditors shall be the secretariats of the Board of Directors and the Board of Corporate Auditors.
3. The Company shall establish a system to ensure that Outside Directors, Corporate Auditors or the Board of Corporate Auditors may seek advice from outside specialists at the expense of the Company when it is deemed necessary for the performance of their duties.

### Article 26 Policy for training of Directors and Corporate Auditors

The Company has set the rule that a Director shall acquire information, knowledge and insight required as an Officer of the Company by utilizing external training, etc. The Company shall support the training by bearing the training cost. In addition, several Directors are dispatched to a higher-level specialized training institution as appropriate with the aim of developing their competencies for becoming members of the management team. Further, in order to help Outside Directors and Outside Corporate Auditors to fully perform their functions, the Company shall provide, on a continuous basis, information regarding the status of the business, financial affairs, organizations, etc. of the Group to respective Outside Directors and Outside Corporate Auditors according to their job functions. Corporate Auditors of the Company shall become members of Japan Audit & Supervisory Board Members Association and participate in various training sessions held by the Association, etc.

## Chapter 8 Policy on Constructive Dialogue with Shareholders

Article 27 Dialogue with shareholders

The Company recognizes the importance of constructive dialogue with shareholders outside of the general meeting of shareholders, and shall create various opportunities for such dialogues. According to the Company's basic policies, Representative Directors, Chief Executive Officer and other Officers shall listen to shareholders, provide easy-to-understand, explicit explanations of the management policy and endeavor to appropriately handle dialogue with shareholders.

2. Corporate Headquarters, General Manager, shall be responsible for receiving requests for interviews from shareholders, investors, etc. and shall make arrangements so that Representative Director, Chief Executive Officer and other Officers positively respond to such requests. In addition, the Company established the Corporate Strategy/IR Department within Corporate Headquarters in order to provide support regarding financial affairs, business, legal affairs, etc., including those of affiliated companies. In addition to individual interviews, the Company shall hold financial results briefings 4 times a year and business strategy meetings every year and post the video (both in Japanese and English) of the briefings under "IR News" on its web pages. Moreover, it shall invite investors to hold IR events at random times. Further, useful opinions and requests from shareholders and investors acquired through its investor relations activities and management issues shall be appropriately reported to the management team, the Board of Directors, etc. to use them for business improvement.
3. In implementing these initiatives, the Company shall not transmit any unpublished important facts to shareholders in dialogues with them from the perspective of complying with insider trading regulations, etc.

Article 28 Formulation and announcement of management strategies and plans

In light of changes in the world such as the deregulation of energy and diversifying needs, the Group shall explicitly disclose its basic strategies based on expected capital costs. Basic strategies and earnings plan for the medium- to long-term based on the basic strategies shall be disclosed in the Company's integrated reports, etc.

## Chapter 9 Establishment, revision and abolition

Article 29 The establishment, revision and abolition of these Guidelines shall require a resolution of the Board of Directors.

Established on 27 January 2016
Revised on 28 June 2017
Revised on 28 June 2018
Revised on 13 December 2018
Revised on 24 June 2020
Revised on 24 June 2021
Revised on 2 December 2021
Revised on 22 June 2022
Revised on 27 June 2023
Revised on 25 June 2024
Revised on 25 June 2025
Final revision on 25 June 2026