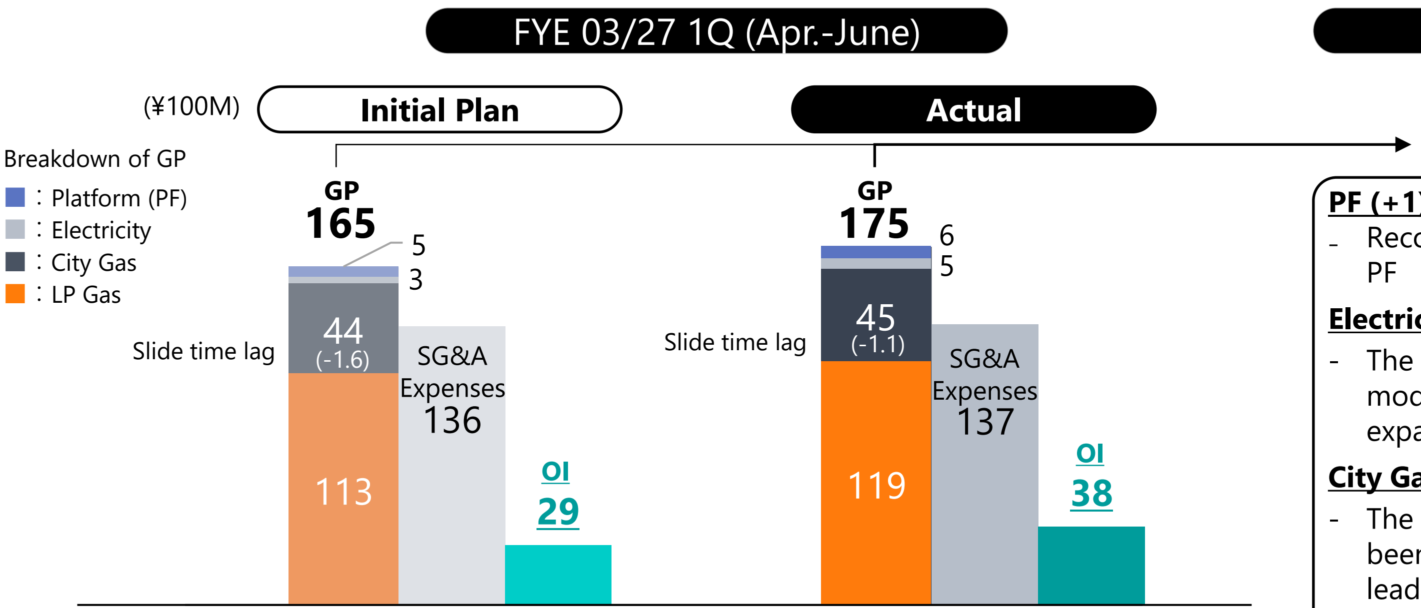
Nippon Gas Co., Ltd.

1Q of FY Ending in March 2027
Financial Results Briefing Materials (30th July 2026)

Vs. Plan(1) Results for the 1Q of FYE 03/27

NICIGAS

GP exceeded the plan by +¥1.0B due to increases in both LP Gas margin and sales volumes. SG&A Expenses were controlled as planned (+¥0.1B vs. the plan). OI exceeded the plan by +¥0.9B.



New Segment Reporting
- Segment PF business from FYE 03/27

(¥100M)	Initial Plan	Actual	+/-
Gross Profit (GP)	165	175	**+10**
SG&A Expenses	136	137	**+1**
Operating Income (OI)	**29**	**38**	**+9**
Net Income	20	26	**+6**
EPS	¥18.9	¥24.4	**+¥5.5**

Key Points of GP

() against plan, and unit is in ¥100M

+10 vs. plan

PF (+1)
- Recorded large orders in Construction PF

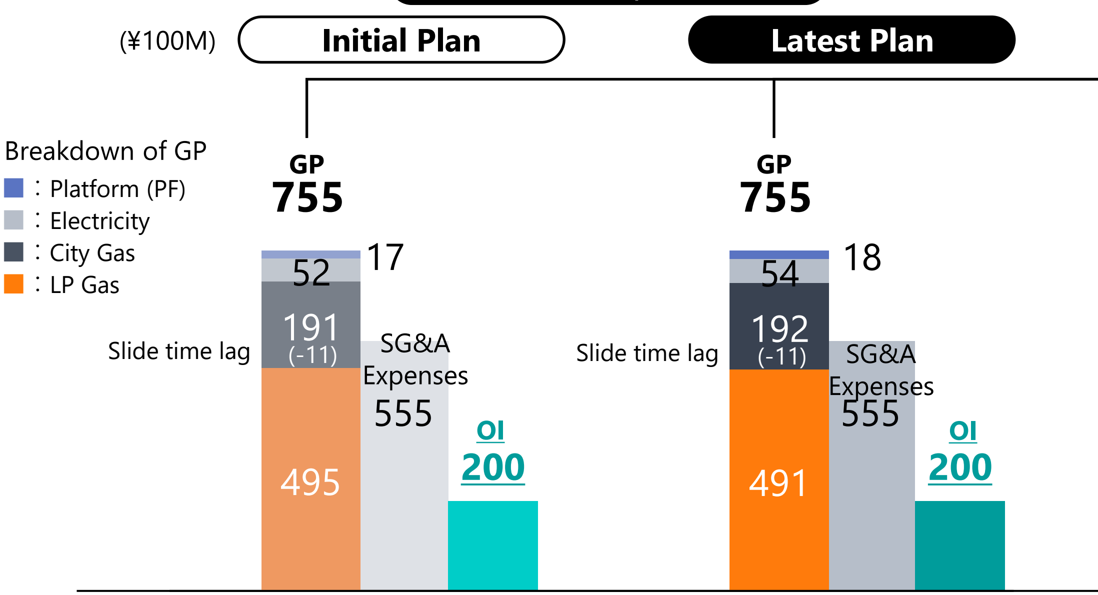
Electricity (+2)
- The rise in fuel prices has been more modest than projected, leading to expanded margin

City Gas (+1)
- The rise in raw material prices has been more modest than projected, leading to expanded margin
- Growth in Equipment GP

LP Gas (+6)
- Residential sales volume increased due to low temperature in June
- C&I margin expanded more than expected
- Growth in Equipment GP

NICIGAS

Continues to project FY GP of ¥75.5B, factoring in current raw material price assumptions and the 2H temperature forecasts. FY OI forecast remains unchanged at ¥20.0B.



New Segment Reporting
- Segment PF business from FYE 03/27

Key Points of GP Planning

() against plan, and unit is in ¥100M

±0 vs. plan

PF (+1)
- Maintains the 2-4Q forecast, incorporating the 1Q beat into FY guidance

Electricity (+2)
- Maintains the 2-4Q forecast, incorporating the 1Q beat into FY guidance

City Gas (+1)
- Lower sales volume in the 2-4Q will be offset by improved margins, and forecast remains unchanged. Incorporates the 1Q beat into FY guidance

LP Gas (-4)
- C&I margin will shrink due to revised raw material prices
- Sales volume will decrease due to a revision of temperature assumptions

(¥100M)	Initial Plan	Latest Plan	+/-
Gross Profit (GP)	755	**755**	0
SG&A Expenses	555	**555**	0
Operating Income (OI)	**200**	**200**	**0**
Net Income	140	**140**	0
EPS	¥132.3	**¥132.3**	¥0

Detailed Profit Plan	Initial Plan	Latest Plan
LP Gas residential margin (¥/kg)	232	**234**
CP average price (US$/t)	720	**650**
Average exchange rate (¥/US$)	160	**160**
Electricity margin (¥/kWh)	2.9	**3.1**
LNG CIF average price (JPY '000/t)	141	**131**
Average temperature (℃)	17.0	**17.3**

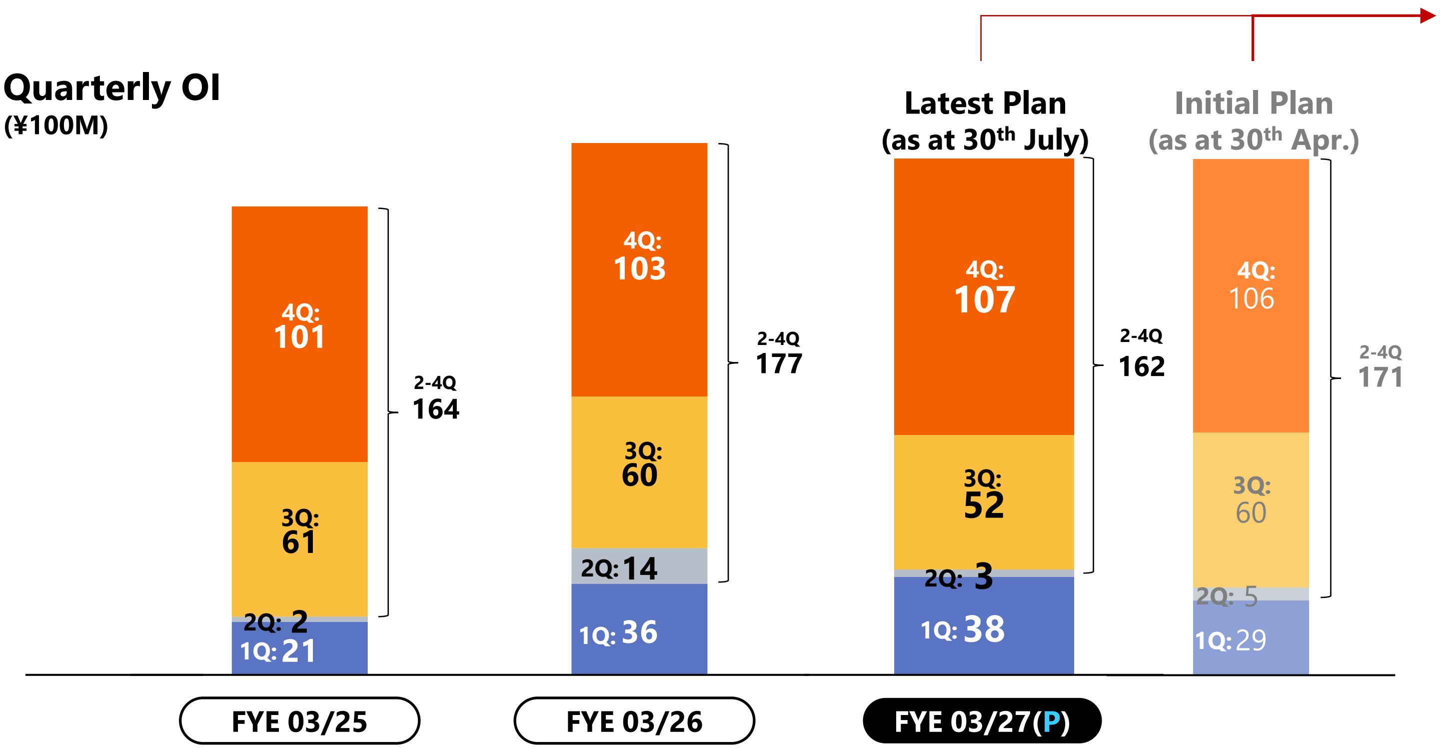
Vs. Plan(3) Operating Income (OI) Forecast for FYE 03/27

NICIGAS

Although OI in the 1Q exceeded the plan, continues to project FY OI of ¥20.0B (no change to the plan). This is taking into account current raw material price assumptions and the 2H temperature forecasts.

	FYE 03/25(A)	FYE 03/26(A)	FYE 03/27(P)
OI (¥100M)	185	213	200

Quarterly OI
(¥100M)



◆vs. Initial Plan (¥100M)

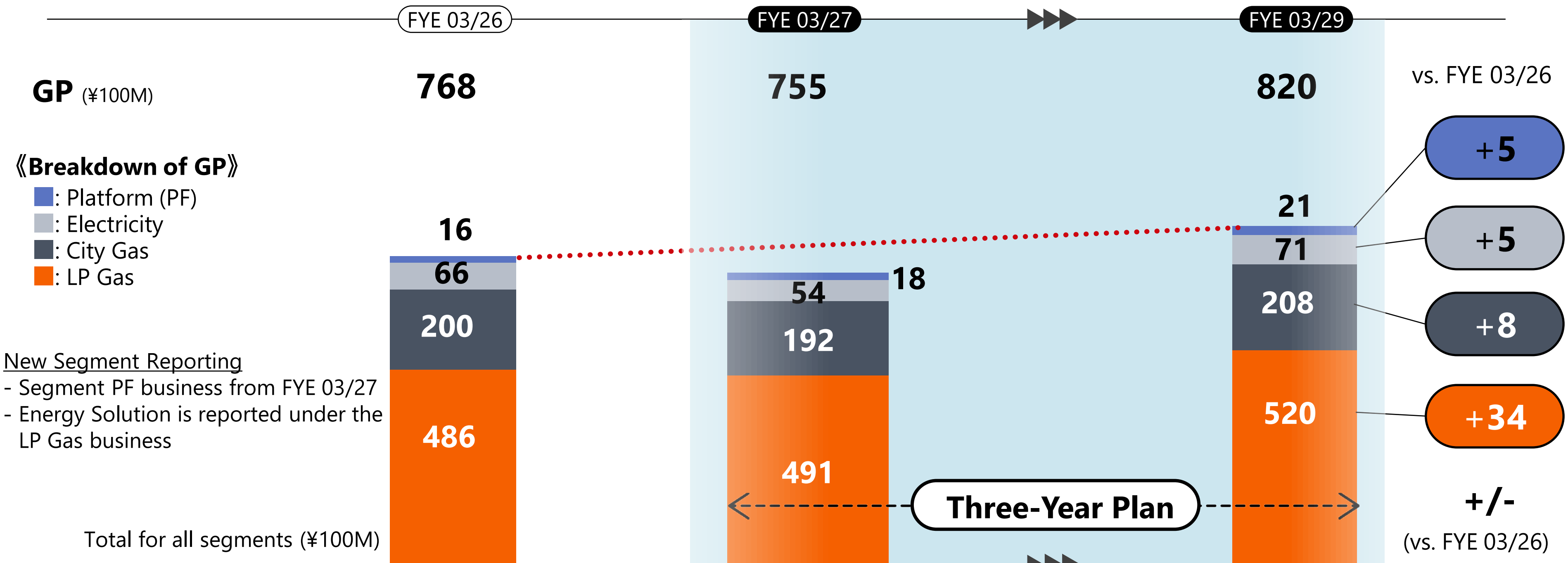
2-4Q (Initial Plan): 171
2-4Q (Latest Plan): 162
-9

<Breakdown>

GP	**-10**
: LP Gas Residential	-4
C&I	-6
: Electricity	0
: City Gas	0
: Platform	0
SG&A Expenses	**-1**
: Others	-1

Vs. Plan(4) Three-Year Plan (FYE 03/27 - 03/29) The Details of Profits

Plans to achieve OI of ¥25.0B in FYE 03/29 through organic growth. ROE of around 22% serves as NICIGAS' commitment to capital efficiency. Enhancing ROE through steady profit growth.



	FYE 03/26	FYE 03/27	FYE 03/29	+/- (vs. FYE 03/26)
Gross Profit (GP)	**768**	**755**	**820**	**+52**
SG&A Expenses	555	555	570	+15
Operating Income (OI)	**213**	**200**	**250**	**+37**
Net Income	**148**	**140**	**175**	**+27**
ROE	**22%**		**around 22%**	
ROIC	**13%**		**around 13%**	

Vs. Plan(5) SG&A Expenses

NICIGAS

SG&A in the 1Q was largely in line with the plan. The cost increase stemming from inflation and the strategic advance procurement of materials and equipment were offset by initiatives including enhanced sales efficiency and optimal utilization of equipment. FY plan of ¥55.5B remains unchanged.

*Figures rounded down to the nearest integer. Calculated the progress rate after converting FYE 03/27 plan and actual figures in ¥100M

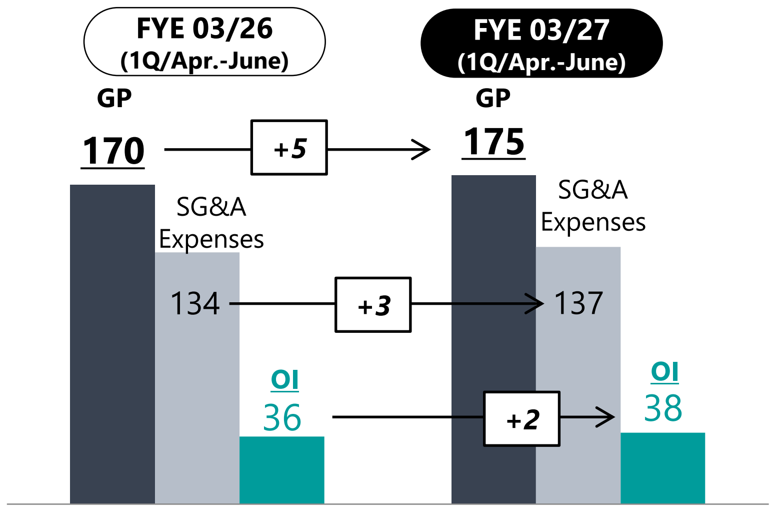
Breakdown of SG&A Expenses (¥100M)	FYE 03/27 FY (P)	FYE 03/27 1Q (A)	Progress vs. FY(P)	Key Points	FYE 03/26 FY (A)	FYE 03/26 1Q (A)
1. Personnel Cost	*155*	**36**	*23%*	- Maintaining investments in human capital (4.0% salary increase rate) while controlling expenditures within the plan	**151**	**35**
2. D&A Expenses (*i)	*82*	**19**	*23%*		**82**	**20**
3. Cost to Acquire (*ii)	*48*	**11**	*23%*	- -¥0.1B vs. plan. Reduced customer acquisition costs by streamlining sales operations	**48**	**12**
4. IT Related Expenses	*41*	**11**	*27%*		**44**	**12**
5. Commission, etc. (*iii)	*50*	**12**	*24%*	- -¥0.1B vs. plan. Deferred to the 2Q or later	**50**	**13**
6. Gas Related Equipment, etc.	*32*	**11**	*34%*	- +¥0.3B vs. plan. Impact of the advance procurement to mitigate future supply chain risks	**35**	**8**
7. Cost to Deliver LP Gas Cylinders	*35*	**9**	*26%*		**33**	**8**
8. Repair Expenses (*iv)	*22*	**5**	*23%*		**24**	**4**
9. Tax	*21*	**6**	*29%*		**21**	**5**
10. Communication Cost(*v)	*12*	**3**	*25%*		**11**	**3**
11. Advertising Expenses	*12*	**3**	*25%*		**10**	**2**
12. Travel Expenses	*7*	**2**	*29%*		**7**	**2**
13. Call Center	*5*	**1**	*20%*		**5**	**1**
14. Others	*33*	**8**	*24%*		**34**	**9**
Total	*555*	**137**	*25%*		**555**	**134**

(*i) D&A expenses for IT are included in "4. IT Related Expenses", and amortization of goodwill is included in "14. Others" (*ii) The amount of expenses for sales and services for LP Gas, City Gas, and Electricity business (*iii) Integrated cost for "safety inspection, meter reading, etc." into "5. Commission, etc." from FYE 03/24 (*iv) For repairing gas cylinders, gas equipment, etc. and cylinder inspection cost (*v) For communication with customers and telecommunication cost of Space Hotaru

YoY(1) Summary

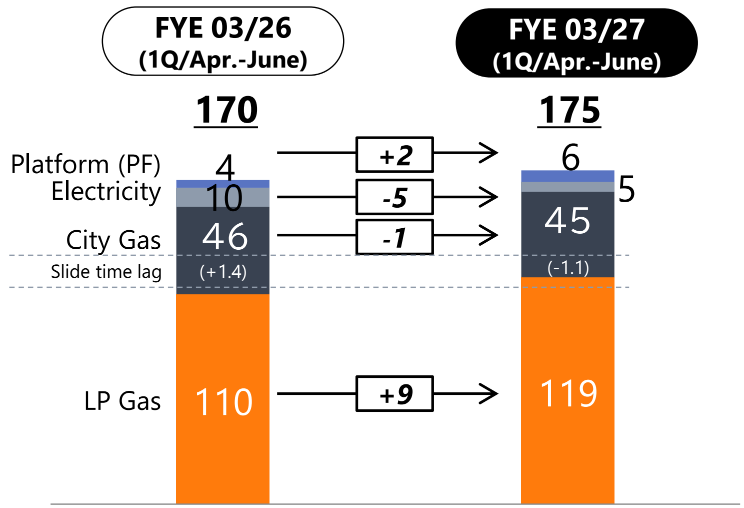
GP increased due to expanded LP margin and PF also grew. Electricity decreased due to lower margin. Customer base has been steadily expanding. Curb growth in SG&A expenses, offsetting cost increases from personnel cost and inflation by optimizing customer acquisition. OI increased.

Gross Profit (GP)/SG&A Expenses/ Operating Income (OI) (¥100M)



Breakdown of GP (¥100M)

*Figures rounded down to the nearest integer
*Disclosed after reclassifying into new segment



	FYE 03/26 (1Q/Apr.-June)	FYE 03/27 (1Q/Apr.-June)
Net Income (¥100M)	26	**26**
EPS	¥24.1	**¥24.4**

Sales Volume	FYE 03/26 (1Q/Apr.-June)	FYE 03/27 (1Q/Apr.-June)
LP Gas ('000t)	68	**67**
City Gas ('000t)	77	**76**
Electricity (GWh)	322	**292**

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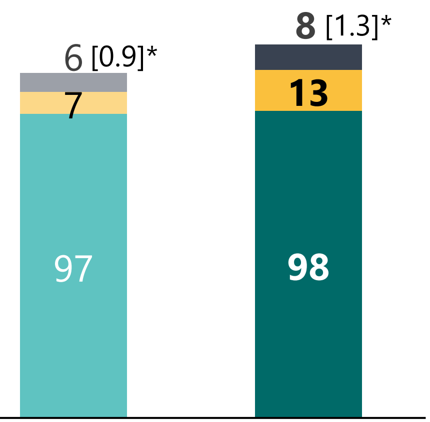
GP increased. C&I margin expanded affected by materials price. Equipment, etc. GP grew, driven by an increase in unit sales and higher gross profit per unit. FY plan revised from ¥49.5B to ¥49.1B, reflecting updated assumptions for raw material prices and temperatures.

GP (¥100M)

FYE 03/26 (1Q/Apr.-June)	FYE 03/27 (1Q/Apr.-June)
110	**119**



- Equipment, etc.
  *[Energy Solution]
- C&I Gas
- Residential Gas

New Segment Reporting
- Segment PF business from FYE 03/27
- Figures for the period prior to FYE 03/26 have been reclassified into the new segment structure

Key Points

() vs. FYE 03/26, and unit is in ¥100M

+9 YoY

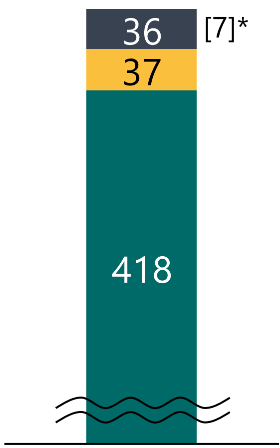
Equipment, etc. (+2)
- Increased in unit sales and higher gross profit per unit
- Sales of hybrid water heaters are strong

C&I Gas (+6)
- Margin expanded significantly due to the impact of the time slide lag

Residential Gas (+1)
- Increased driven by improved margin
- Customer growth, but sales volume decreased. The impact of lower usage/customer due to high performance gas appliances

FYE 03/27(P)

491



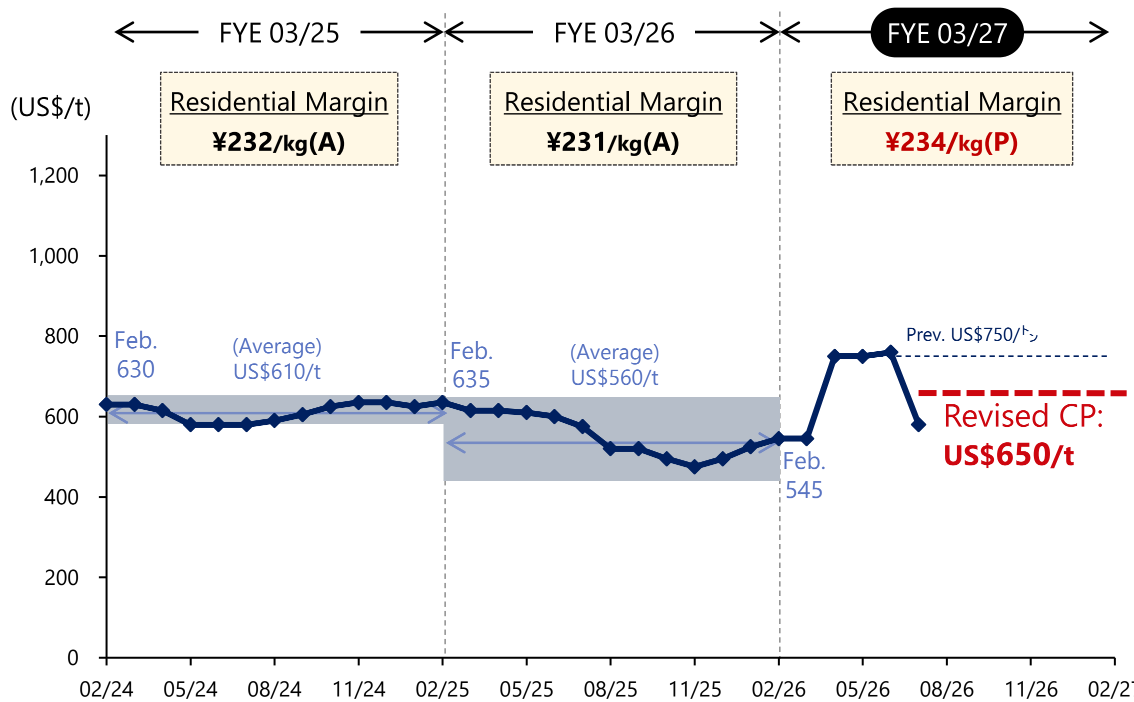
		FYE 03/26 1Q	FYE 03/27 1Q	+/-
Margin (¥/kg) (Residential + C&I)		¥153	**¥166**	+¥13
Gas sales volume ('000t)	Residential	42	**41**	-1
	C&I	26	**26**	0
# of total customers ('000)		1,036	**1,057**	+21
Hybrid water heaters ('000 units)		1.5	**1.8**	+0.3

M&A
- 0.6K customers/ 7 companies

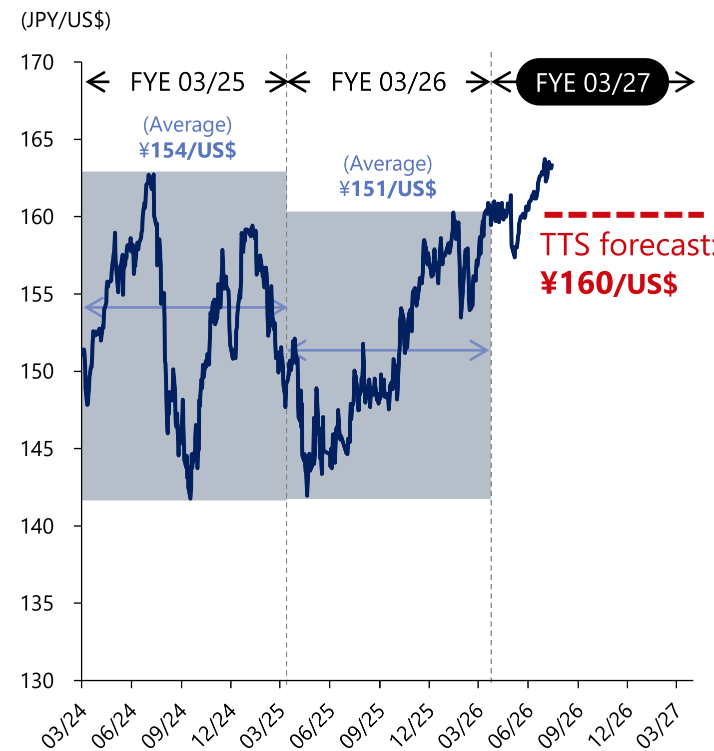
		FYE 03/27 (P)
Margin (¥/kg) (Residential + C&I)		**¥160**
Gas sales volume ('000t)	Residential	**179**
	C&I	**106**
# of total customers ('000)		**1,081**
Hybrid water heaters ('000 units)		**8.0**

From Aug. 2026, revised CP from US$750/t to US$650/t and maintains the exchange rate at ¥160/US$.
Ensures a full-year residential margin at a level of around ¥230/kg.

LP Gas Raw Material Price (CP)



Exchange Rate (TTS)



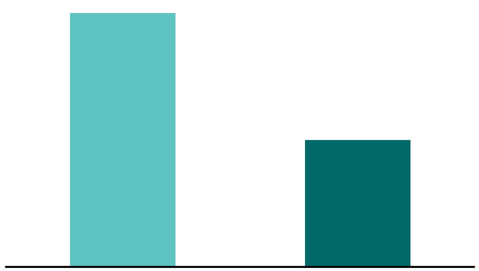
(US$/t)	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2024	620	630	630	615	580	580	580	590	605	625	635	635
2025	625	635	615	615	610	600	575	520	520	495	475	495
2026	525	545	545	750	750	760	580					

*Highlighted CP made up COGS through the 1Q of FYE 03/27
* CP makes up COGS after about 2-3 months
*Agilely **secure appropriate margins**
(some exclusions may apply due to the nature of the product)

NICIGAS

GP decreased YoY due to margin shrinkage and other factors. Expects the negative slide impact will be limited in the 2H, projecting a profit margin expansion compared to the 1Q. FY plan revised from ¥5.2B to ¥5.4B, given that the 1Q margin exceeded expectations.

	FYE 03/26 (1Q/Apr.-June)	FYE 03/27 (1Q/Apr.-June)	Key Points	FYE 03/27(P)
GP (¥100M)	**10**	**5**	**-5 YoY**	**54**



Key Points

() vs. FYE 03/26, and unit is in ¥100M

Margin shrunk (-4)
- Rising fuel prices triggered a negative slide impact

Decrease in sales volume (-1)
- The number of total customers grew, but usage/customer decreased driven by temperature

	FYE 03/26 1Q	FYE 03/27 1Q	+/-
Margin (¥/kWh)	¥3.1	**¥1.8**	-¥1.3
Sales volume (GWh)	322	**292**	-30
# of total customers ('000)	389	**409**	+20
E&G bundled rate	23.9%	**24.5%**	+0.6%

	FYE 03/27 (P)
Margin (¥/kWh)	**¥3.1**
Sales volume (GWh)	**1,761**
# of total customers ('000)	**454**
E&G bundled rate	**26.5%**

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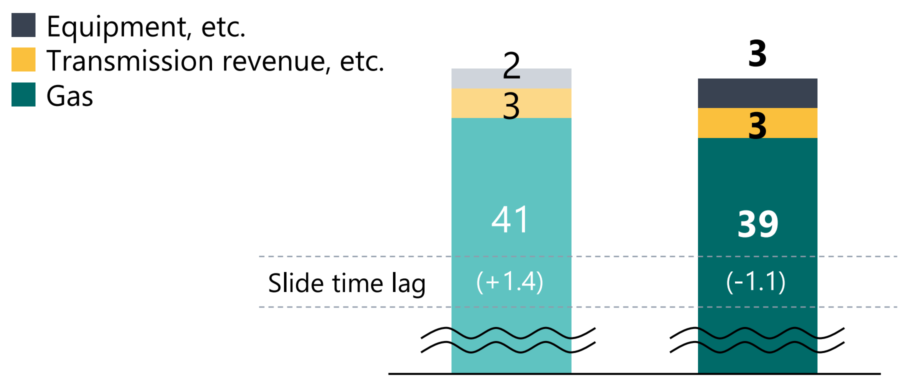
GP slightly decreased YoY. While residential sales volume declined, the number of customers is steadily increasing(+19K YoY). FY plan revised from ¥19.1B to ¥19.2B, given that factors such as the growth in the 1Q Equipment, etc. GP. Updated assumptions for raw material prices and temperatures.

	FYE 03/26 (1Q/Apr.-June)	FYE 03/27 (1Q/Apr.-June)	Key Points	FYE 03/27(P)
GP (¥100M)	**46**	**45**	**-1 YoY**	**192**

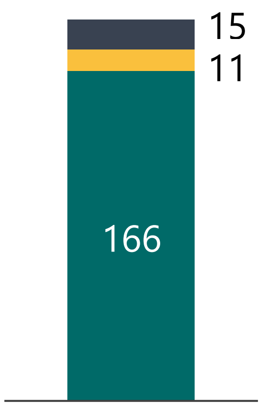
() vs. FYE 03/26, and unit is in ¥100M



Key Points

Equipment, etc. (+1)
- Increased in unit sales and higher gross profit per unit

Gas (-2)
- Residential usage/customer decreased due to high performance gas appliances, etc.
- Negative slide impact



		FYE 03/26 1Q	FYE 03/27 1Q	+/-
Slide time lag (¥100M)		+1.4	**-1.1**	-2.5
Gas sales volume ('000t)	Residential	33	**32**	-1
	C&I	44	**44**	0
# of total customers ('000)		594	**613**	+19

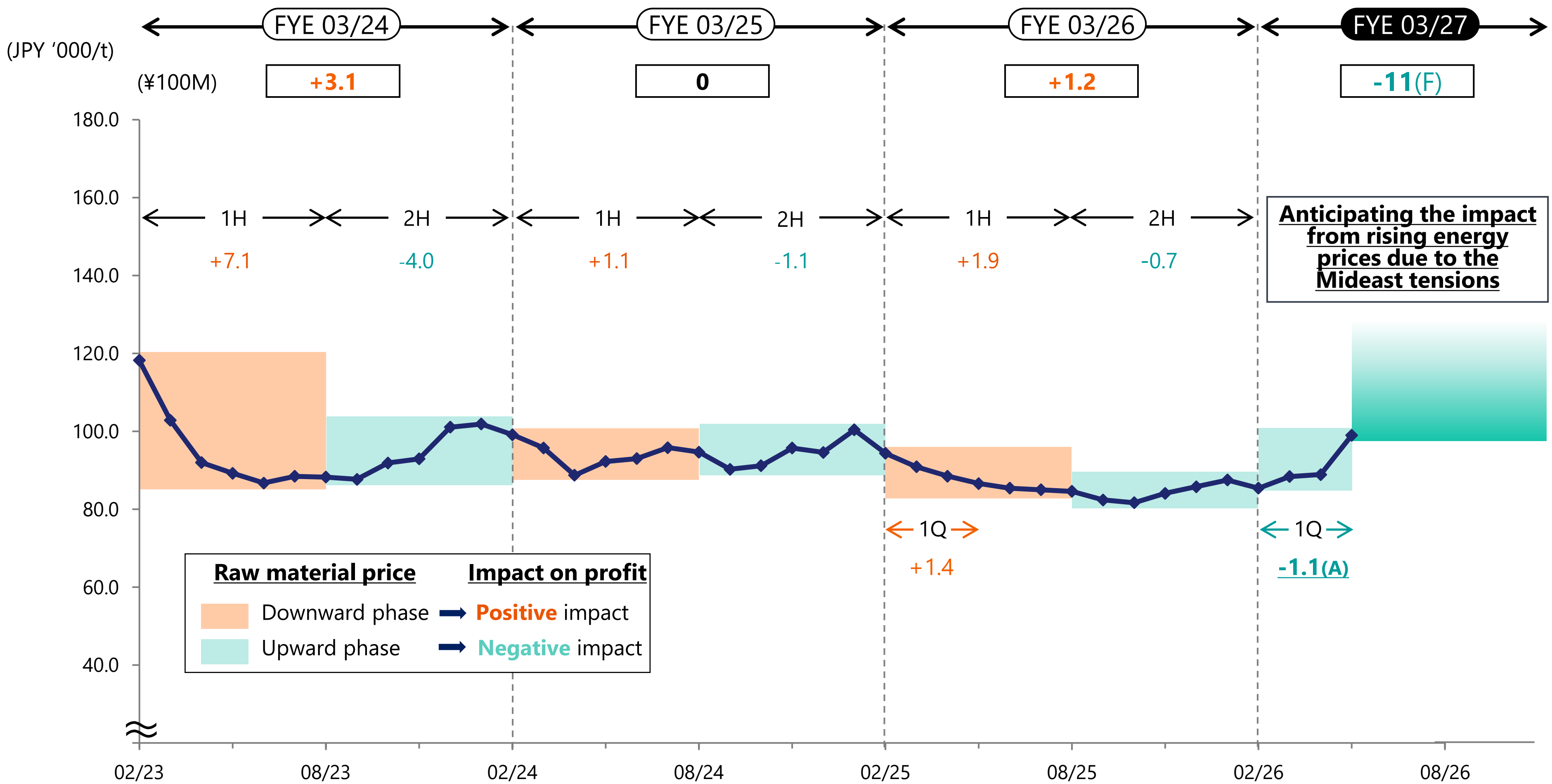
		FYE 03/27 (P)
Slide time lag (¥100M)		**-11**
Gas sales volume ('000t)	Residential	**147**
	C&I	**196**
# of total customers ('000)		**629**

Impact from Raw Material Cost Adjustment (Slide Time Lag)

Slide time lag impact in the 1Q (Apr.-June) was -¥0.11B. The rise in raw material prices has been more modest than projected. The full-year slide time lag remains unchanged at -¥1.1B. Assuming a continued rise in energy prices resulting from the escalating tensions in the Mideast.

Trends of LNG CIF* price

*CIF: Average price of LNG imported to Japan



YoY(5) Platform Business (PF)

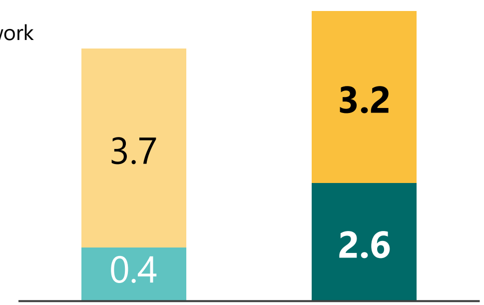
NICIGAS

GP increased. Construction PF grew. FY plan revised from ¥1.7B to ¥1.8B, taking into account of the 1Q results. Demand for Construction PF and Safety Inspection PF is projected to increase due to severe labor shortage.

	FYE 03/26 (1Q/Apr.-June)	FYE 03/27 (1Q/Apr.-June)	Key Points	FYE 03/27(P)
GP (¥100M)	**4.1**	**5.8**	**+1.7 YoY**	**18**

Integrated Energy PF
(New City Gas PF, Safety Inspection PF, LPG Network Service)

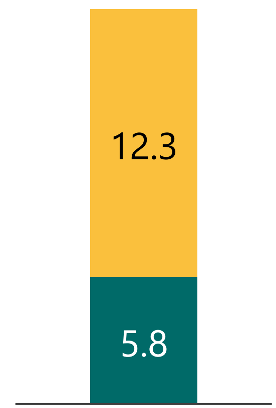
Construction PF, PF apps



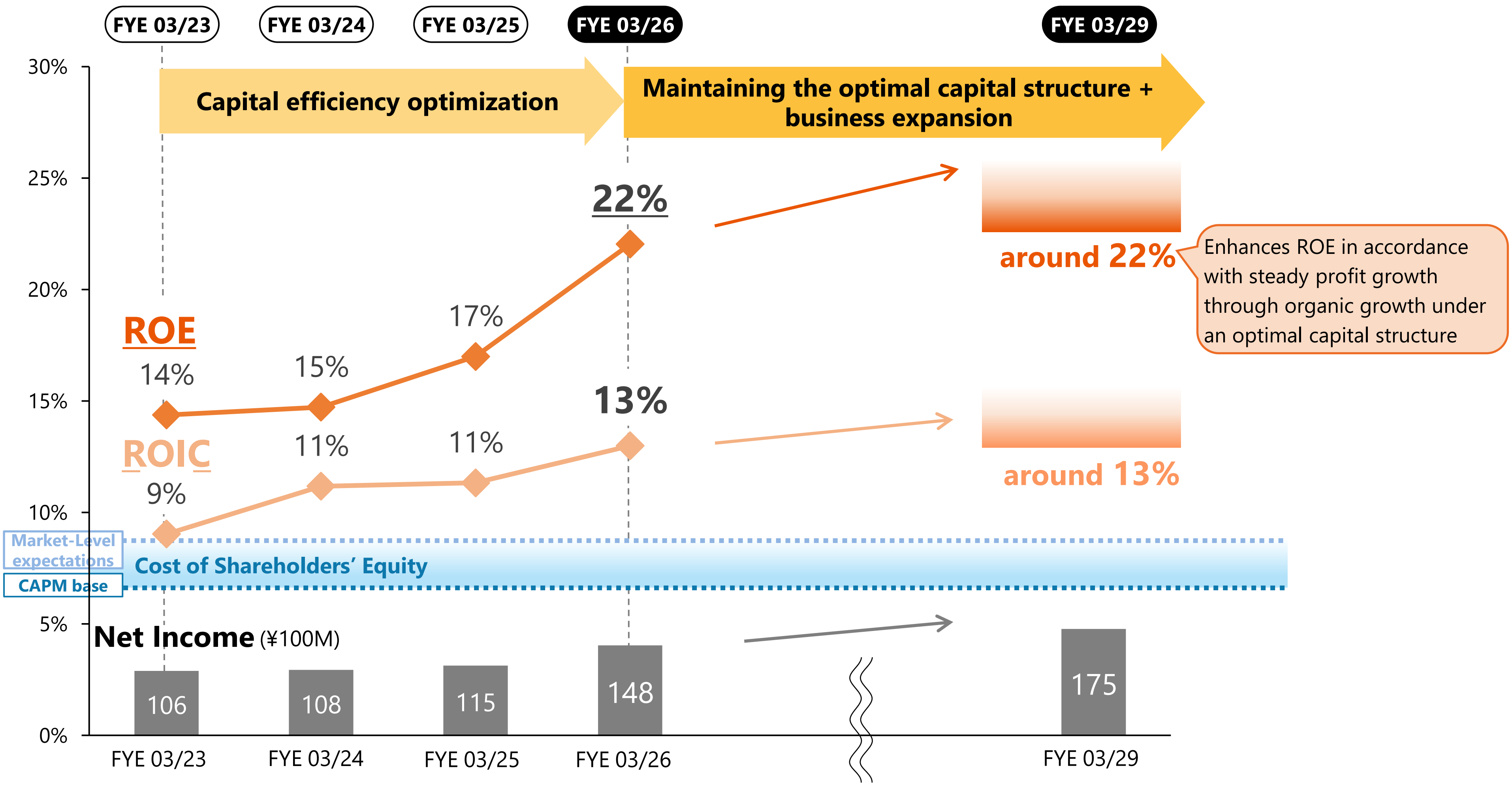
() vs. FYE 03/26, and unit is in ¥100M

Integrated Energy PF (-0.5)
- On par with the previous period

Construction PF, PF apps (+2.2)
- Construction PF grew. A major deal was recorded in the 1Q. Reflects the 1Q upside in the FY



Enhances corporate value by maintaining high capital efficiency and steady profit growth. Placing strong emphasis on maximizing Economic value added (EP) as set forth in the “Growth Investment Guidance,” will increase growth investments that exceed the capital cost.



For details on NICIGAS’ capital policy, please refer to NICIGAS' Capital Strategy to be released on 30th July.
Link：https://www.nichigas.co.jp/en/ir/library/capital

Capital Strategy(2)
Balance Sheet (B/S) Control Optimal Equity Ratio

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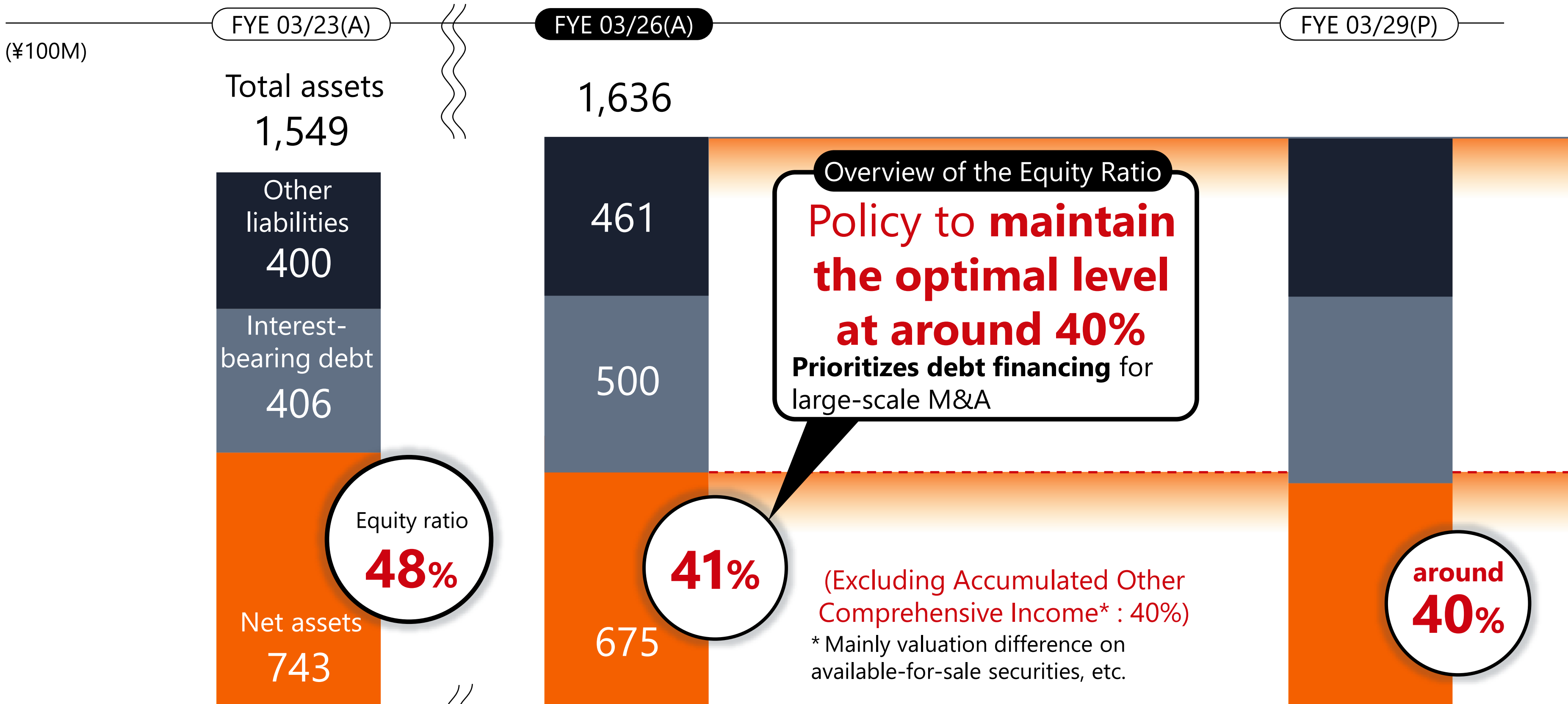
Maintains a policy of not holding unnecessary shareholders' equity, keeping NICIGAS' equity ratio at 40% without significantly expanding its assets.



	FYE 03/23(A)	FYE 03/26(A)	FYE 03/29(P)
Net Income (¥100M)	106	148	175
ROE	**14%**	**22%**	**around 22%**
ROIC	**9%**	**13%**	**around 13%**

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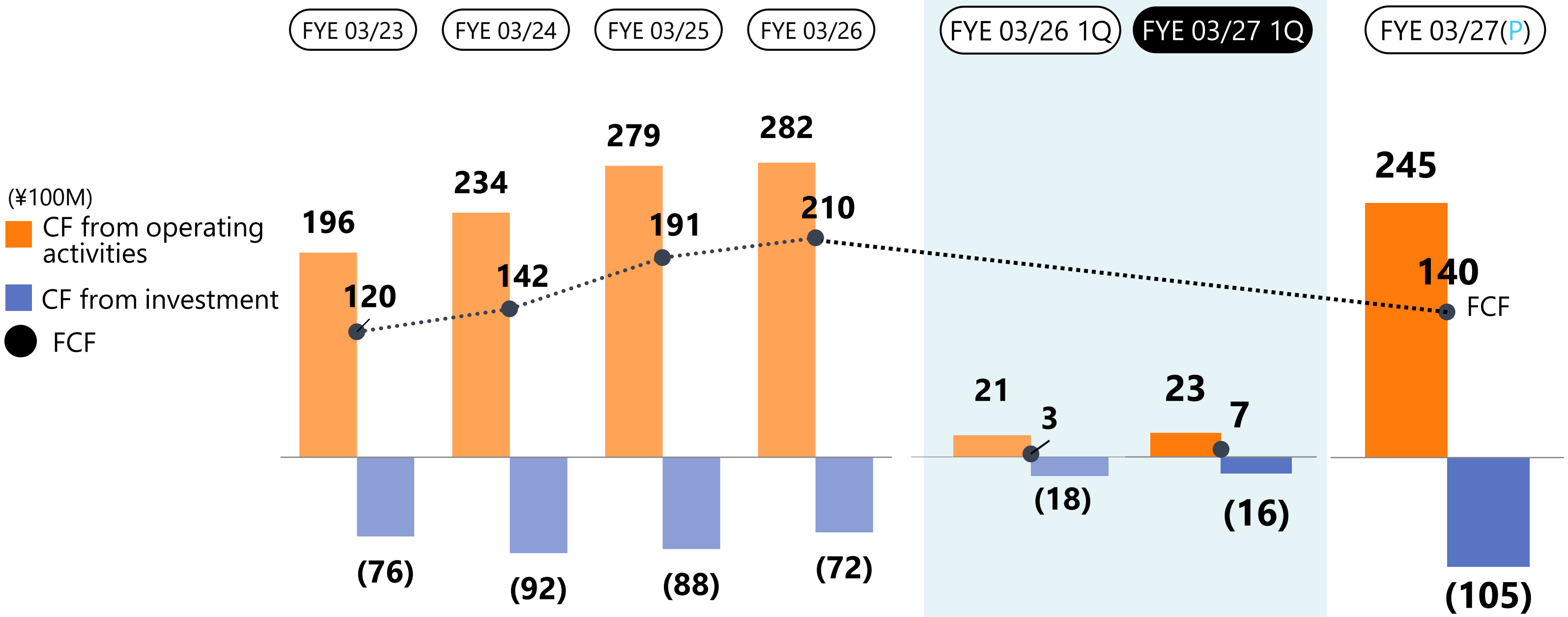
CF from operating activies for the 1Q increased YoY. Progress for investment was in line with the previous period. Will proactively allocate funds to growth investments, including LP Gas acquisitions, to drive the enhancement of medium- to long-term corporate value.



CF from finance	(161)	(87)	(184)	(167)	(64)	(63)	(140)

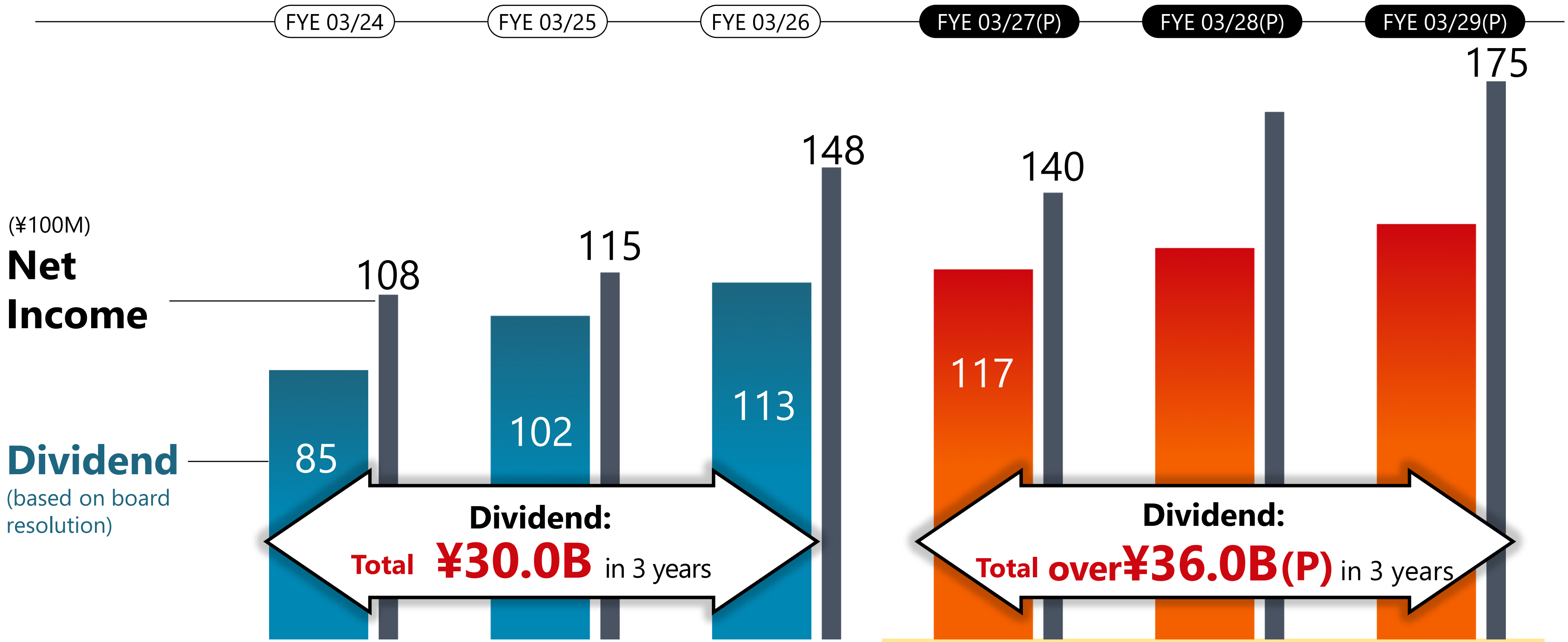
Breakdown of CF from investment (¥100M)	FYE 03/23	FYE 03/24	FYE 03/25	FYE 03/26	FYE 03/26 1Q	FYE 03/27 1Q	FYE 03/27(P)	(D&A)
LPG	16	25	24	22	3	4	48	(37)
[Incl. LPG M&A]	*[3]*	*[5]*	*[11]*	*[5]*	*[1]*	*[2]*	*[25]*	*[(7)]*
ICT	29	30	21	12	4	2	12	(17)
City Gas	33	41	45	44	11	12	45	(52)
Others (Investment in securities, etc.)	(2)*	(5)*	(2)*	(6)*	0	(2)	-	-

(* is positive effect on CF)

✓ **LPG**: Will increase M&A investment as required

✓ **ICT**: Shifts to operating phase from FYE 03/25, gradually decreasing new investment

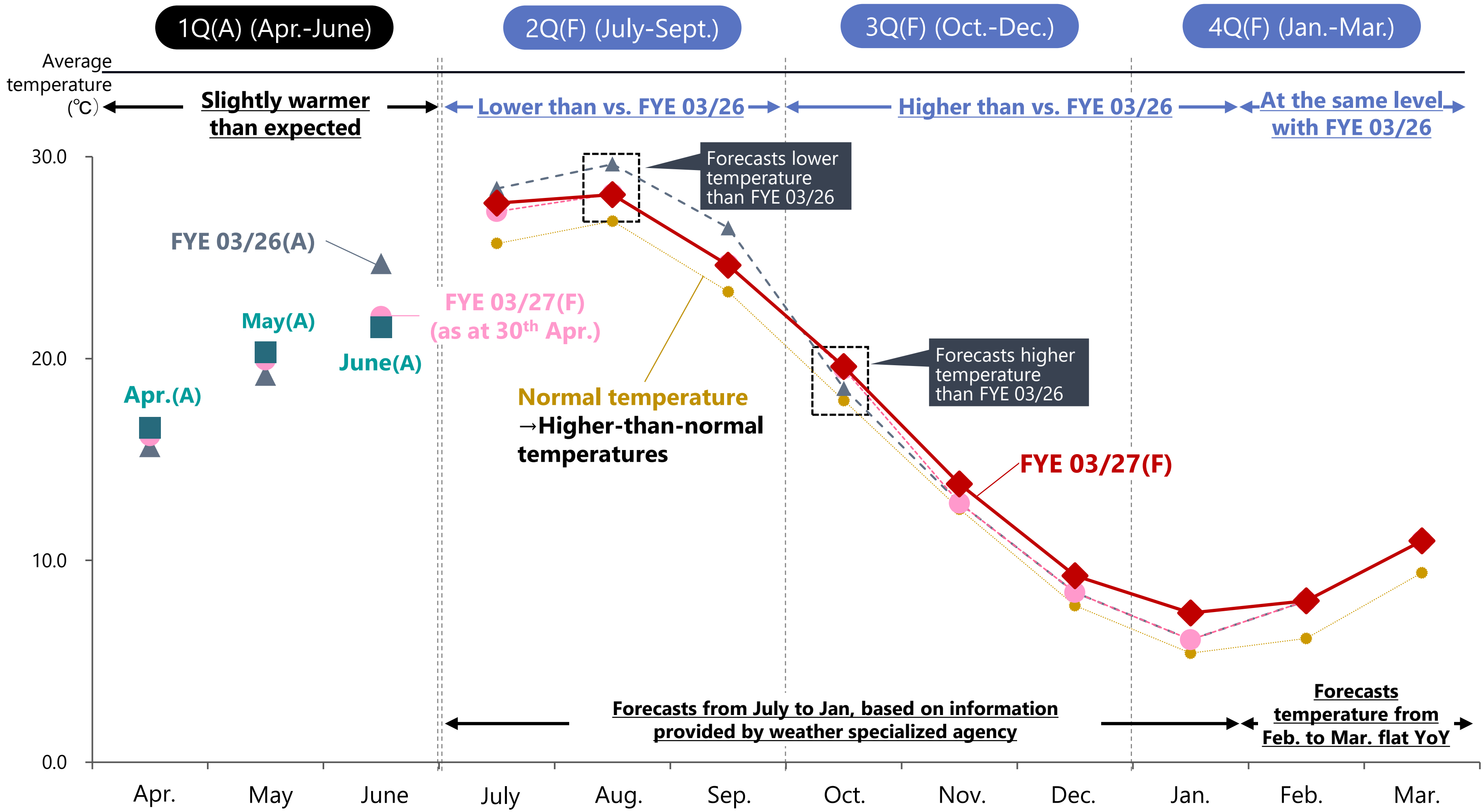
Enhancing shareholder return, focusing on dividend, under a policy of not holding unnecessary shareholders' equity. NICIGAS achieves sustainable high dividends as follows: 1) substantial room for customer base expansion with minimal Capex, 2) generating stable Cash Flow.



	FYE 03/24	FYE 03/25	FYE 03/26	FYE 03/27(P) – 03/29(P)
Dividend/share	¥75.0	¥92.5	¥103.0	¥110.0 ▸▸▸ **Increase gradually** ▸▸▸
Share buyback	¥5.9B	¥6.0B	¥6.7B	▸▸▸ **Will flexibly implement while maintaining a policy of an equity ratio of 40%** ▸▸▸

Including Share buyback for Capital optimization

The 1Q FYE 03/27 was slightly warmer than anticipated. The July - Sept. temperatures forecast remains largely unchanged from the initial plan and are expected to be lower than the previous period. Revised the temperature forecasts from Oct. - Jan. upward.



(*1): (A) is actual average temperature in Tokyo (Source: Japan meteorological agency)

Reference Material(2) Key Financial Data by Segment

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Gross Profit(GP)[*1] (¥100M)	FYE 03/23	FYE 03/24	FYE 03/25	FYE 03/26 (A)	FYE 03/27 (Initial P)	FYE 03/27 (Latest P)	Key Points of Latest Plan for FYE 03/27	FYE 03/29 (P)
LP Gas (incl. Equipment, etc.)	**453**	**483**	**483**	**486**	**495**	**491**		**520**
# of total customers ('000)	973	997	1,030	**1,051**	**1,081**	**1,081**		**1,141**
Gas sales volume ('000t) Residential/C&I	186/121	179/114	178/109	**181/106**	**181/106**	**179/106**	- Revised temperature assumptions upward	**188/115**
Usage/customer	226	215	208	**206**	**200**	**198**		**197**
Residential margin (¥/kg)	212	233	232	**231**	**232**	**234**	- Cost projection from Aug. 2026 onward based on the assumptions of CP of US$650/t, exchange rate of ¥160/US$	**232**
Hybrid water heaters cumulative sales ('000 units)	2	4	9	**16**	**24**	**24**		**40**
City Gas (incl. Equipment, etc.)	**203**	**205**	**196**	**200**	**191**	**192**		**208**
# of total customers ('000)	667[*2]	601	590	**609**	**629**	**629**		**669**
Gas sales volume ('000t) Total of Residential and C&I	378	365	344	**338**	**349**	**343**	- Revised temperature assumptions upward	**359**
Slide time lag (¥100M)	-3.1	+3.1	0	**+1.2**	**-11**	**-11**	- Assumes a rise in raw material prices	**0**
Electricity	**30**	**37**	**52**	**66**	**52**	**54**		**71**
# of total customers ('000)	320	345	381	**404**	**454**	**454**		**554**
E&G bundled rate (%)	19.5	21.6	23.5	**24.3**	**26.5**	**26.5**		**30.1**
Sales volume (GWh)	1,297	1,427	1,587	**1,723**	**1,787**	**1,765**	- Reviewed based on the 1Q results	**2,166**
Margin (¥/kWh)	2.3	2.6	3.3	**3.8**	**2.9**	**3.1**	- Reviewed based on the 1Q results	**3.3**
Platform	**11**	**11**	**14**	**16**	**17**	**18**		**21**

*1: Disclosed after reclassifying into new segment
*2: As of Jan 2024, due to the legal separation of pipeline division in group restructuring, the disclosure method for city gas customer numbers will be changed to the number of retail contracts currently being supplied

Current Situation of Raw Material Procurement

Republish

NICIGAS

Ensures long-term stable procurement while minimizing the risk from cost fluctuations.
Proactively manages the impact of raw material price fluctuations on profit through agile actions.

LP Gas

NICIGAS' procurement

- Supplier: Oil wholesaler/ trading company
⇒**Diversified procurement** from about 10 suppliers

Impact of raw material price fluctuations on profit

- Residential: **Minimal impact on profit due to price adjustment**
- C&I: Retail price is linked to raw material price, **resulting in a time lag impact**

Slide time lag (C&I)

Raw material price	Impact on Profit
Downward phase ➡	**Negative** impact
Upward phase ➡	**Positive** impact

Raw Materials Price Index

- Contract Price (CP), Mont Belvieu price (MB), Exchange rate

Electricity

NICIGAS' procurement

- Supplier: Tokyo Electric Power Company (TEPCO) Group
⇒**Stable procurement through 100% bilateral contract based on long-term contract**

Impact of raw material price fluctuations on profit

- Responding with fuel cost adjustment, **resulting in a time lag impact**
- Short-term impact on profit, **Minimal impact on profit in long-term**

Slide time lag

Raw material price	Impact on Profit
Downward phase ➡	**Positive** impact
Upward phase ➡	**Negative** impact

Raw Materials Price Index

- CIF price (LNG, crude oil, coal), Exchange rate

City Gas

NICIGAS' procurement

- Supplier: Tokyo Electric Power Company (TEPCO) Group, etc.
⇒**Stable procurement through long-term contract**

Impact of raw material price fluctuations on profit

- Responding with raw material cost adjustment system, **resulting in a time lag impact**
- Short-term impact on profit, **Minimal impact on profit in long-term**

Slide time lag

Raw material price	Impact on Profit
Downward phase ➡	**Positive** impact
Upward phase ➡	**Negative** impact

Raw Materials Price Index

- CIF price (LNG), Exchange rate