NICIGAS
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Nippon Gas Co., Ltd.

2Q of FY Ending in March 2027
Financial Results Briefing Materials (29th Oct. 2026)

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

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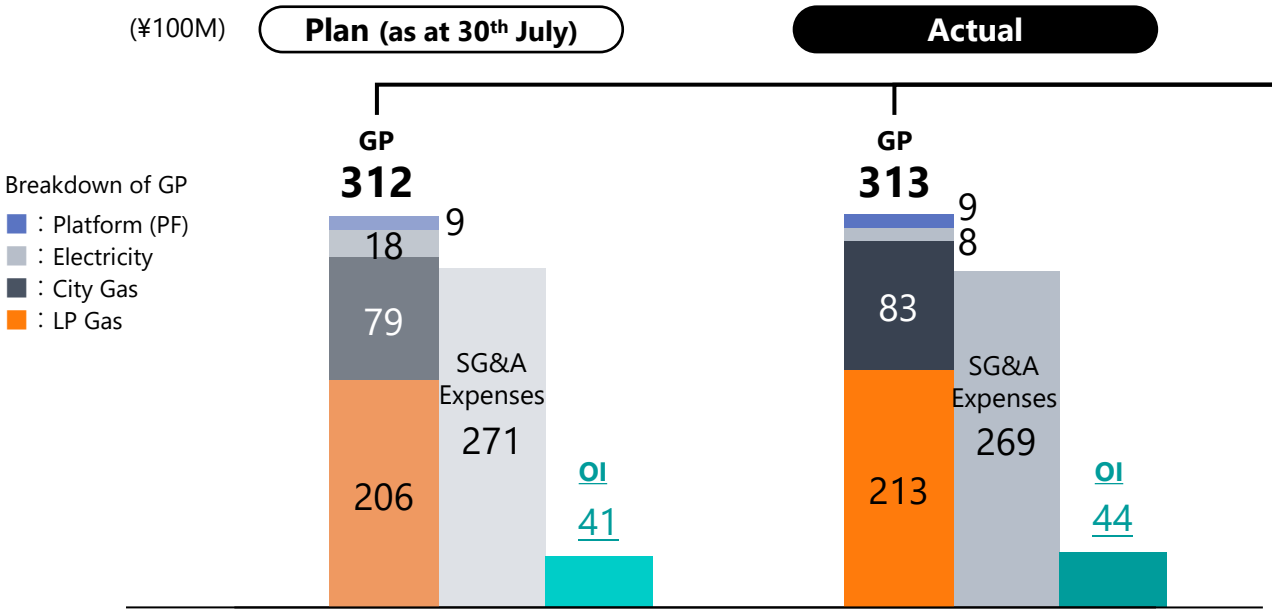
GP was +¥0.1B vs. Plan. LP Gas and City Gas exceeded the plan, while Electricity fell short. Low summer temperatures boosted gas sales volume, but reduced electricity sales volume. SG&A Expenses were controlled as planned. OI exceeded the plan by +¥0.3B.

FYE 03/27 1H (Apr.-Sept.)

(¥100M)



Total segments (¥100M)			+/-
GP	**312**	**313**	**+1**
SG&A Expenses	271	269	-2
Operating Income (OI)	**41**	**44**	**+3**
Net Income	**28**	**29**	**+1**
EPS (Post-split basis)	**¥8.8**	**¥9.1**	**+¥0.3**

Key Points of GP

() against plan, and unit is in ¥100M

PF (0)
- In line with the plan. Steadily expanding the number of companies using PF

Electricity (-10)
- Margin shrank affected by fuel prices
- Sales volume decreased due to low temperature

City Gas (+4)
- Residential sales volume increased due to the impact of temperature

LP Gas (+7)
- Residential sales volume increased due to the impact of temperature
- C&I margin expanded than expected
- Growth in Equipment GP

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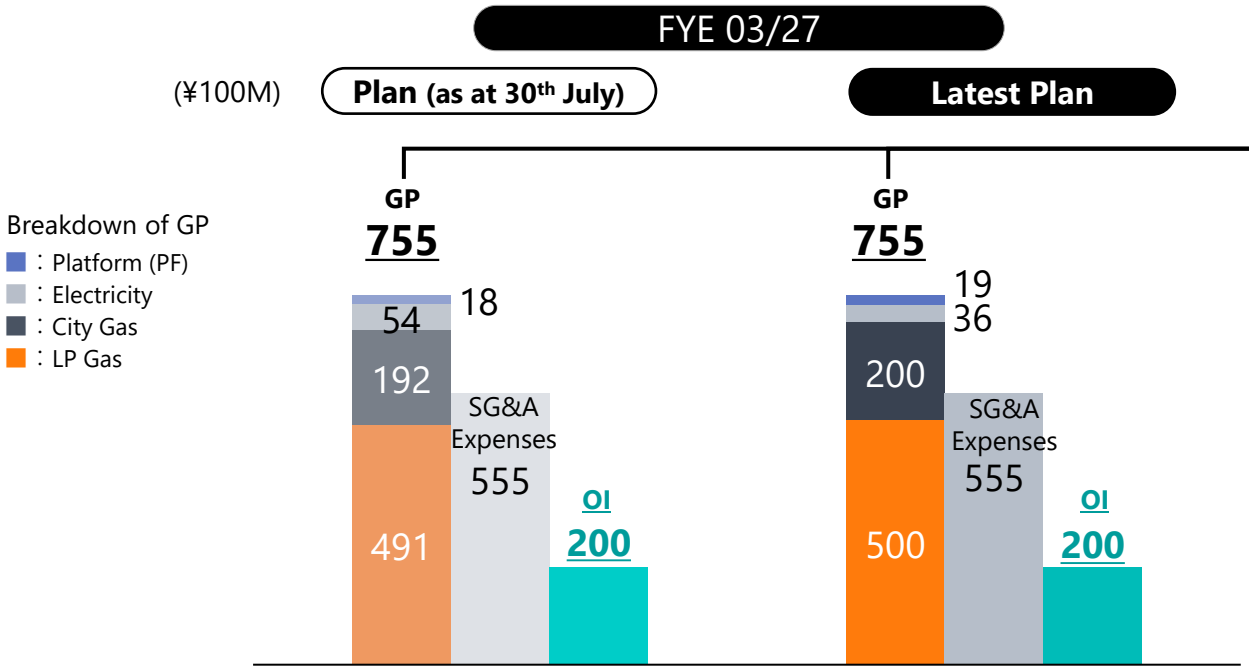
Vs. Plan(2) Forecast for FYE 03/27

FY GP of ¥75.5B and FY OI of ¥20.0B remains unchanged. Higher GP from gas and equipment, etc. offsets the short-term negative impact of rising fuel costs.



Key Points of GP Planning

() against plan disclosed on 30th July., and unit is in ¥100M

±0 vs. plan (as at 30th July)

PF (+1)
- Projects the growth of Construction PF

Electricity (-18)
- 2H: Incorporates the increase in negative impact of slide time lag

City Gas (+8)
- 2H: Margin will improve due to revised raw material price forecast

LP Gas (+9)
- 2H: C&I margin will improve
- Growth in Equipment GP

Total segments (¥100M)

GP	**755**	**755**
SG&A Expenses	555	555
Operating Income (OI)	**200**	**200**
Net Income	**140**	**140**
EPS (Post-split basis)	**¥44.1**	**¥44.1**

Detailed Profit Plan	1H(A)	2H(P)
Crude oil CIF price ($/b)	103	**95**
Exchange rate (¥/US$)	159	**160**

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

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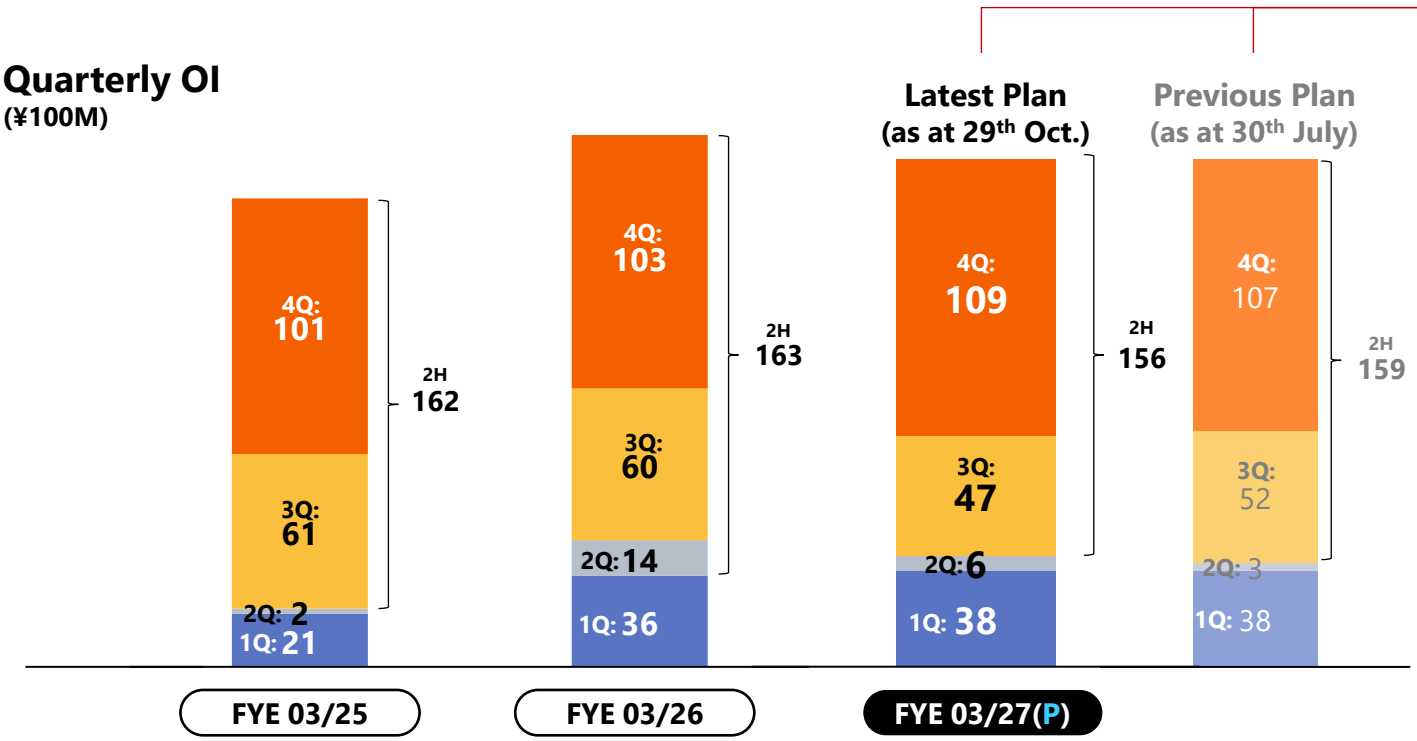
GP for the 2H expects the increase in LP Gas and City Gas compared to the Previous Plan (as at 30th July), while projects a negative impact on Electricity by slide time lag.
Continues to project FY SG&A Expenses of ¥55.5B.

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

Quarterly OI
(¥100M)



◆ vs. Previous Plan
(as at 30th July) (¥100M)

＜OI in the 2H＞
(as at 30th July): 159
(Latest Plan): 156
-3

＜Breakdown＞

GP	**-1**
: LP Gas	+2
: Electricity	-8
: City Gas	+4
: Platform	+1
SG&A Expenses	**+2**
: Others	+2

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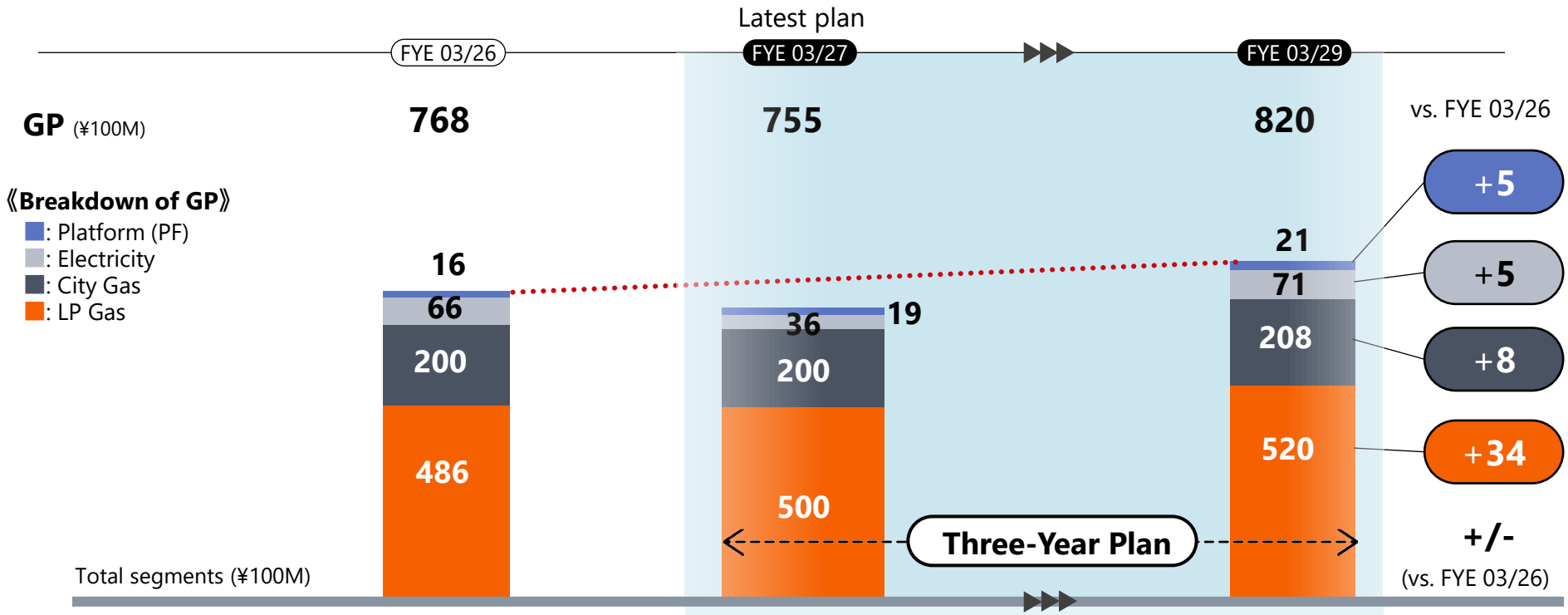
Vs. Plan(4) Three-Year Plan (FYE 03/27 - 03/29) The Details of Profits

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%**	

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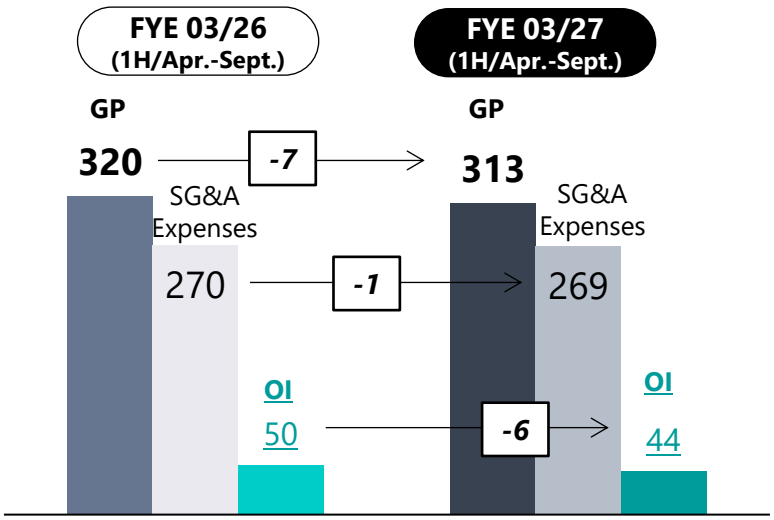
YoY(1) Results for the 1H of FYE 03/27 Summary

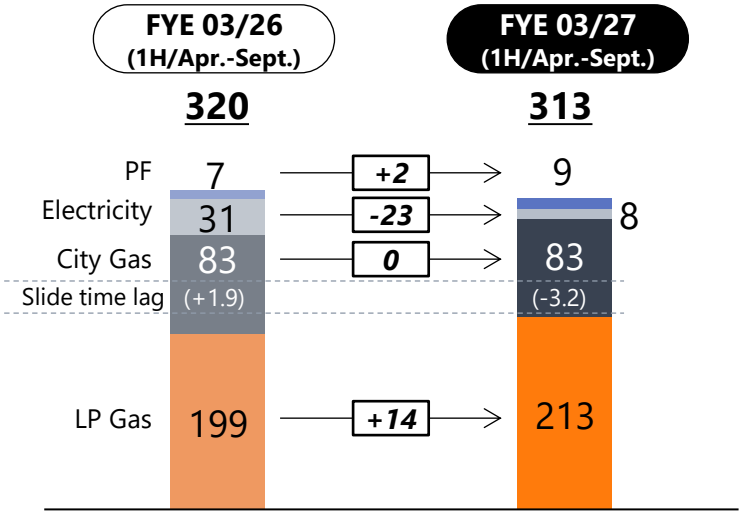
GP decreased -¥0.7B YoY. LP Gas in both residential and C&I increased. Electricity decreased due to sales volume remained stagnant and impact of fuel prices. Curbed growth in SG&A Expenses.
OI decreased -¥0.6B YoY.

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 1H	FYE 03/27 1H
Net Income (¥100M)	34	**29**
EPS (Post-split basis)	¥10.5	**¥9.1**

Sales Volume	FYE 03/26 1H	FYE 03/27 1H
LP Gas ('000t)	114	**120**
City Gas ('000t)	142	**144**
Electricity (GWh)	811	**704**

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YoY(2) SG&A Expenses

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SG&A in the 1H was in line with the plan. Increased costs arising from advanced procurement of materials and equipment in response to inflation were offset by streamlining of cost to acquire, etc. 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 1H (A)	Progress vs. FY(P)	Key Points	FYE 03/26 FY (A)	FYE 03/26 1H (A)
1. Personnel Cost	155	75	48%	- Maintaining investments in human capital (4.0% salary increase rate) while controlling expenditures within the plan	151	72
2. D&A Expenses (*i)	82	39	48%		82	40
3. Cost to Acquire (*ii)	48	21	44%	- -¥0.2B vs. plan. Reduced customer acquisition costs by streamlining sales operations	48	24
4. IT Related Expenses	41	20	49%		44	23
5. Commission, etc. (*iii)	50	25	50%		50	25
6. Gas Related Equipment, etc.	32	21	66%	- +¥0.3B vs. plan. The 1H exceeded the plan due to the advance procurement. Continues to focus on the procurement environment and consider optimal ordering in the 2H.	35	20
7. Cost to Deliver LP Gas Cylinders	35	15	43%		33	13
8. Repair Expenses (*iv)	22	10	45%		24	9
9. Tax	21	11	52%		21	11
10. Communication Cost(*v)	12	5	42%		11	5
11. Advertising Expenses	12	5	42%		10	4
12. Travel Expenses	7	4	57%		7	4
13. Call Center	5	2	40%		5	2
14. Others	33	16	48%		34	18
Total	555	269	48%		555	270

(*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

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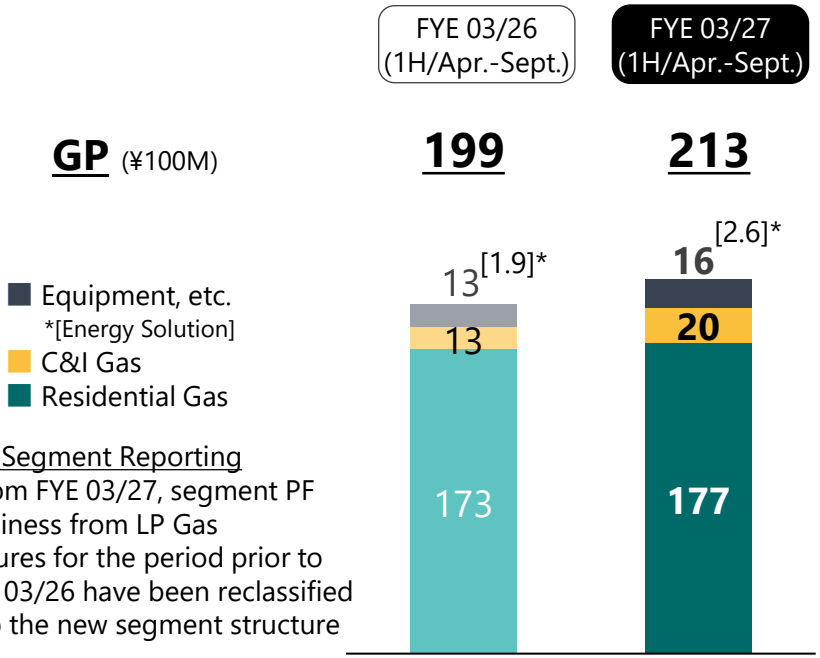
YoY(3) LP Gas Business

GP increased. Residential sales volume increased driven by customer growth and lower temperature. C&I margin improved YoY due to swift price adjustments. Sales of equipment grew, driven primary by high-performance water heaters and stoves.

GP (¥100M)



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

Key Points

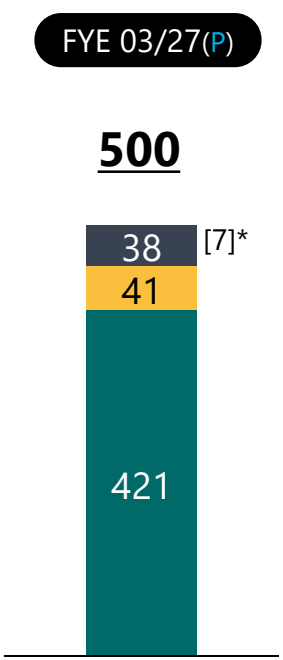
() vs. FYE 03/26, and unit is in ¥100M

+14 YoY

Equipment, etc. (+3)
- Increased in both unit sales and higher gross profit per unit

C&I Gas (+7)
- Margin expanded due to swift price adjustments

Residential Gas (+4)
- Higher usage/customer due to lower temperature YoY
- The number of total customers: +21K YoY



		FYE 03/26 1H	FYE 03/27 1H	+/-
Margin (¥/kg) (Residential + C&I)		¥163	**¥164**	+¥1
Sales volume ('000t)	Residential	65	**69**	+4
	C&I	49	**51**	+2
# of total customers ('000) (as at 30th September 2026)		1,041	**1,062**	+21
Hybrid water heaters ('000 units)		3.0	**3.5**	+0.5

M&A(1H of FYE03/27)
1.5K customers/
13 companies

		FYE 03/27 (P)
Margin (¥/kg) (Residential + C&I)		**¥159**
Sales volume ('000t)	Residential	**183**
	C&I	**107**
# of total customers ('000) (as at 31st March 2027)		**1,081**
Hybrid water heaters ('000 units)		**8.0**

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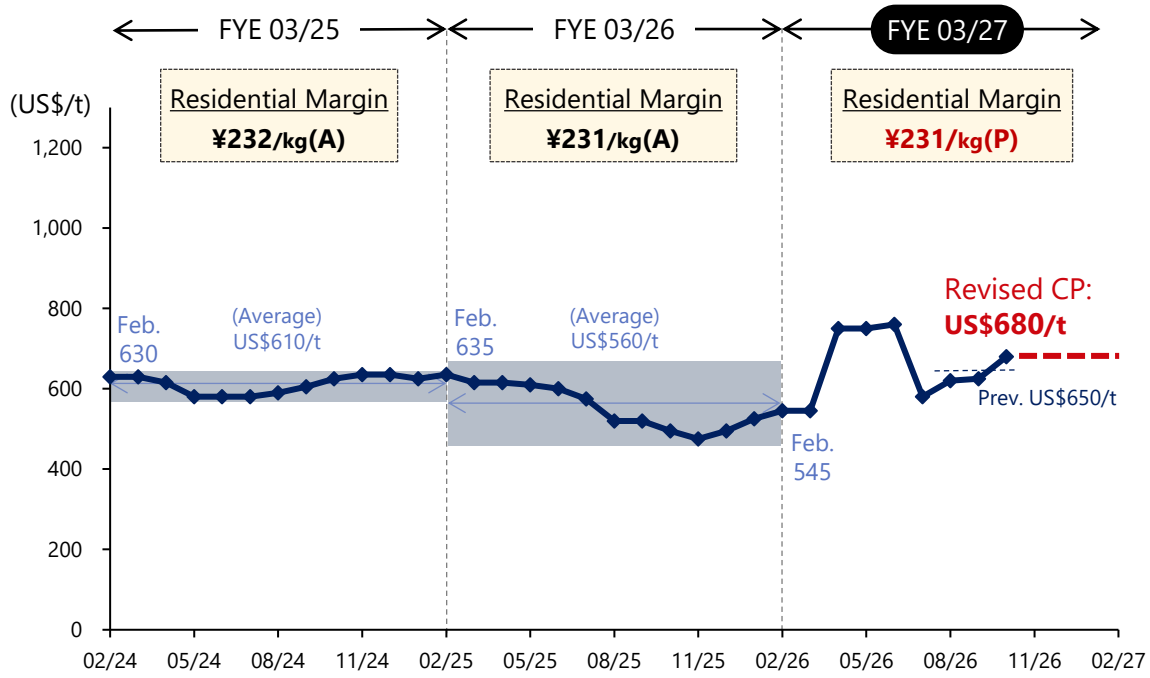
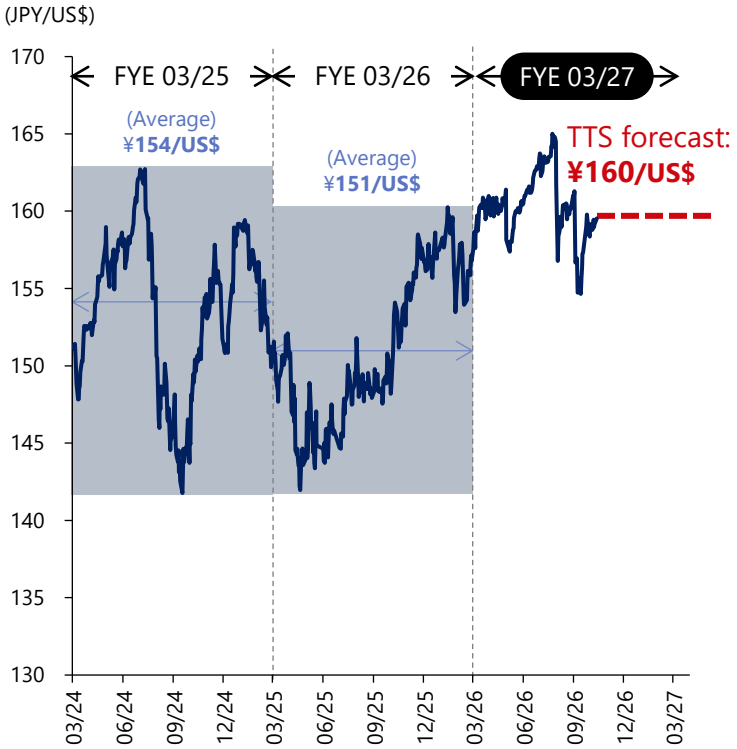
LP Gas Raw Material Price (CP)

COGS in the 1H was largely in line with the plan. From November 2026 onwards, assumes CP of US$680/t and the exchange rate of ¥160/US$. FY residential margin remains 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	620	625	680		

*Highlighted CP made up COGS through the 1H 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)

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YoY(4) Electricity Business

GP decreased -¥2.3B YoY. Margin shrank affected due to fuel prices fluctuation, while sale volume decreased due to impact of temperature. In the 2H, will accelerate customer acquisition by strengthening Web marketing and community partnership.

	FYE 03/26 (1H/Apr.-Sept.)	FYE 03/27 (1H/Apr.-Sept.)	Key Points	FYE 03/27(P)
			() vs. FYE 03/26, and unit is in ¥100M	
GP (¥100M)	**31**	**8**	**-23 YoY**	**36**

Margin shrunk (-19)
- Previous FY: Fuel cost adjustment and other factors had positive impact
- Current FY: Negatively impacted by slide time lag in reflecting rising fuel price

Decrease in sales volume (-4)
- Usage/customer decreased driven by cooler temperature YoY

	FYE 03/26 1H	FYE 03/27 1H	+/-
Margin (¥/kWh)	¥3.8	**¥1.1**	-¥2.7
Sales volume (GWh)	811	**704**	-107
# of total customers ('000) (as at 30th September 2026)	395	**417**	+22
E&G bundled rate (as at 30th September 2026)	24.1%	**24.9%**	+0.8%

✓Ranked 11th in the low-voltage sector electricity sales volume ranking (June 2026 Results)

	FYE 03/27 (P)
Margin (¥/kWh)	**¥2.2**
Sales volume (GWh)	**1,611**
# of total customers ('000) (as at 31st March 2027)	**454**
E&G bundled rate (as at 31st March 2027)	**26.5%**

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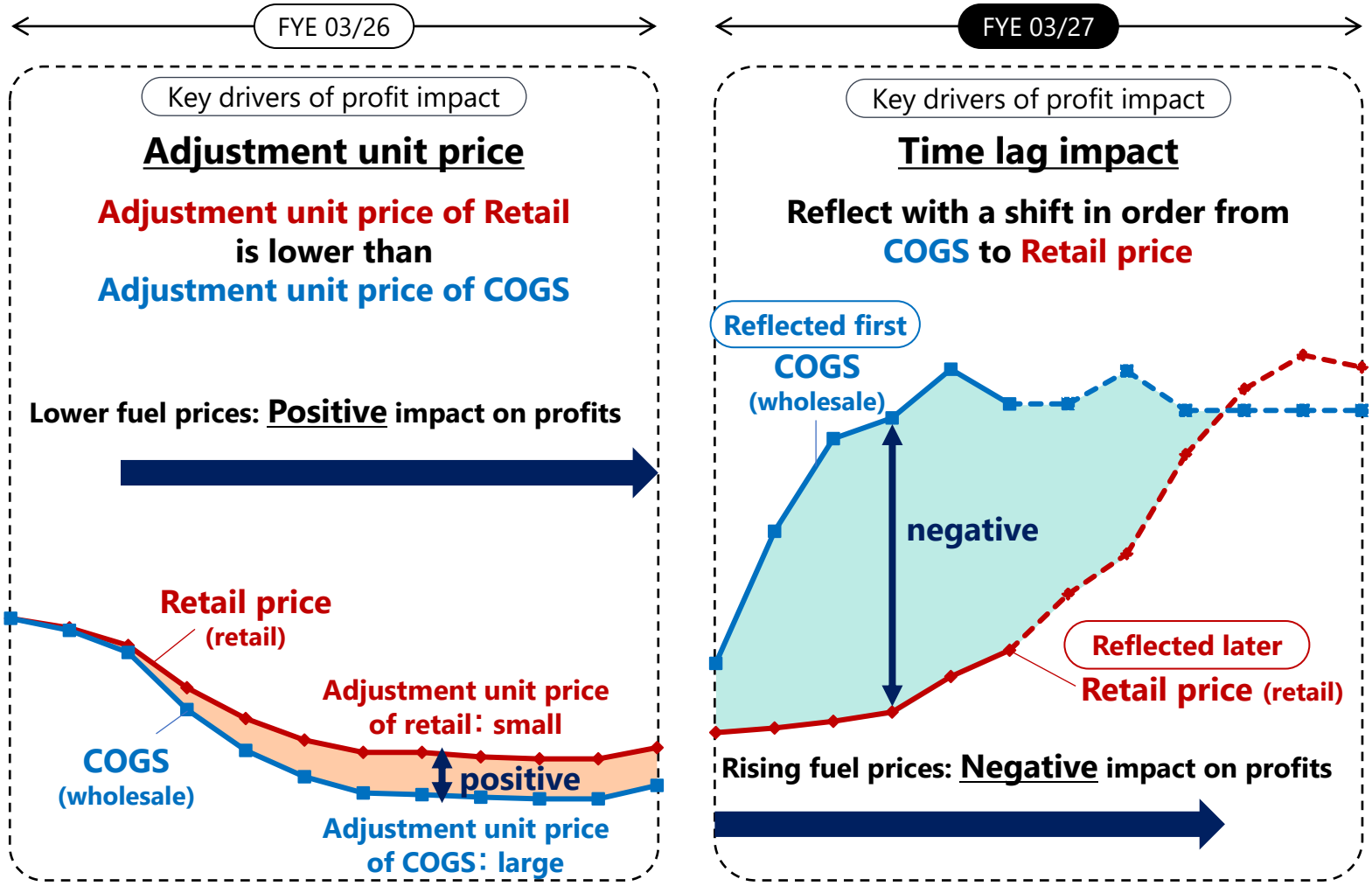
Impact of Fuel cost adjustment

The impact of slide time lag in fuel cost adjustment occurs from FYE 03/27. Expects a significant negative impact due to continued rise in fuel prices for FYE 03/27. A downward trend in fuel prices will shift the impact to positive.

Trend of Fuel Cost Adjustment Unit Price (conceptual diagram)



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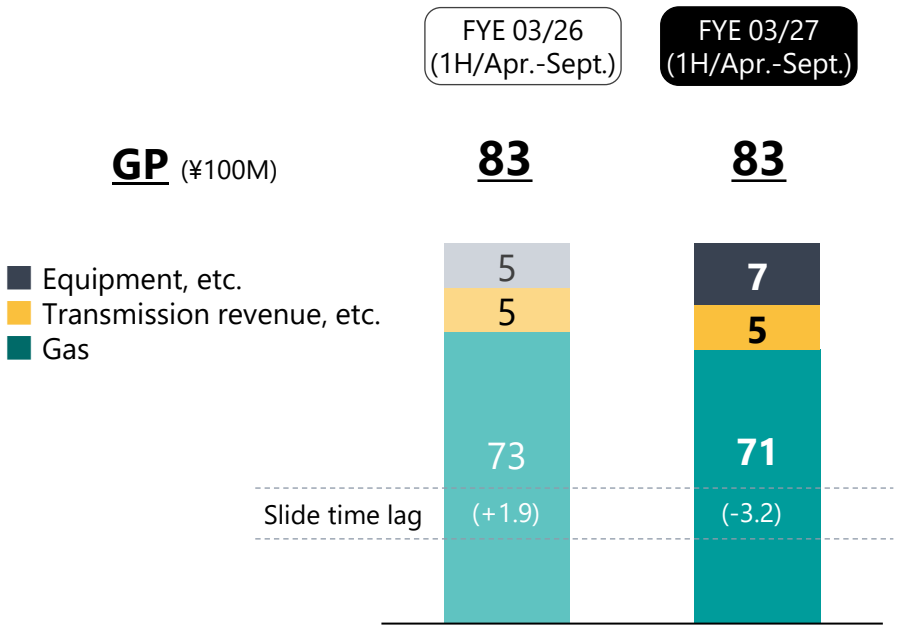
YoY(5) City Gas Business

GP was flat YoY. Equipment sales grew, while gas margin shrank due to slide time lag. The number of customer is steadily increasing(+18K YoY). For the 2H, will accelerate customer acquisition through enhanced and expanded customer touchpoints.

GP (¥100M)



Key Points

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

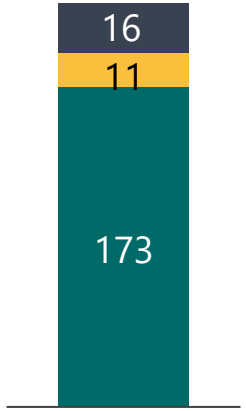
±0 YoY

Equipment, etc. (+2)
- Increased in both unit sales and higher gross profit per unit

Gas (-2)
- While residential sales volume grew in the July-Sept. quarter, negative impact of slide time lag expanded (-5.1 YoY)

FYE 03/27(P)

200



		FYE 03/26 1H	FYE 03/27 1H	+/-
Slide time lag (¥100M)		+1.9	**-3.2**	-5.1
Sales volume ('000t)	Residential	52	**52**	0
	C&I	90	**92**	+2
# of total customers ('000) (as at 30th September 2026)		598	**616**	+18

		FYE 03/27 (P)
Slide time lag (¥100M)		**-9**
Sales volume ('000t)	Residential	**151**
	C&I	**195**
# of total customers ('000) (as at 31st March 2027)		**629**

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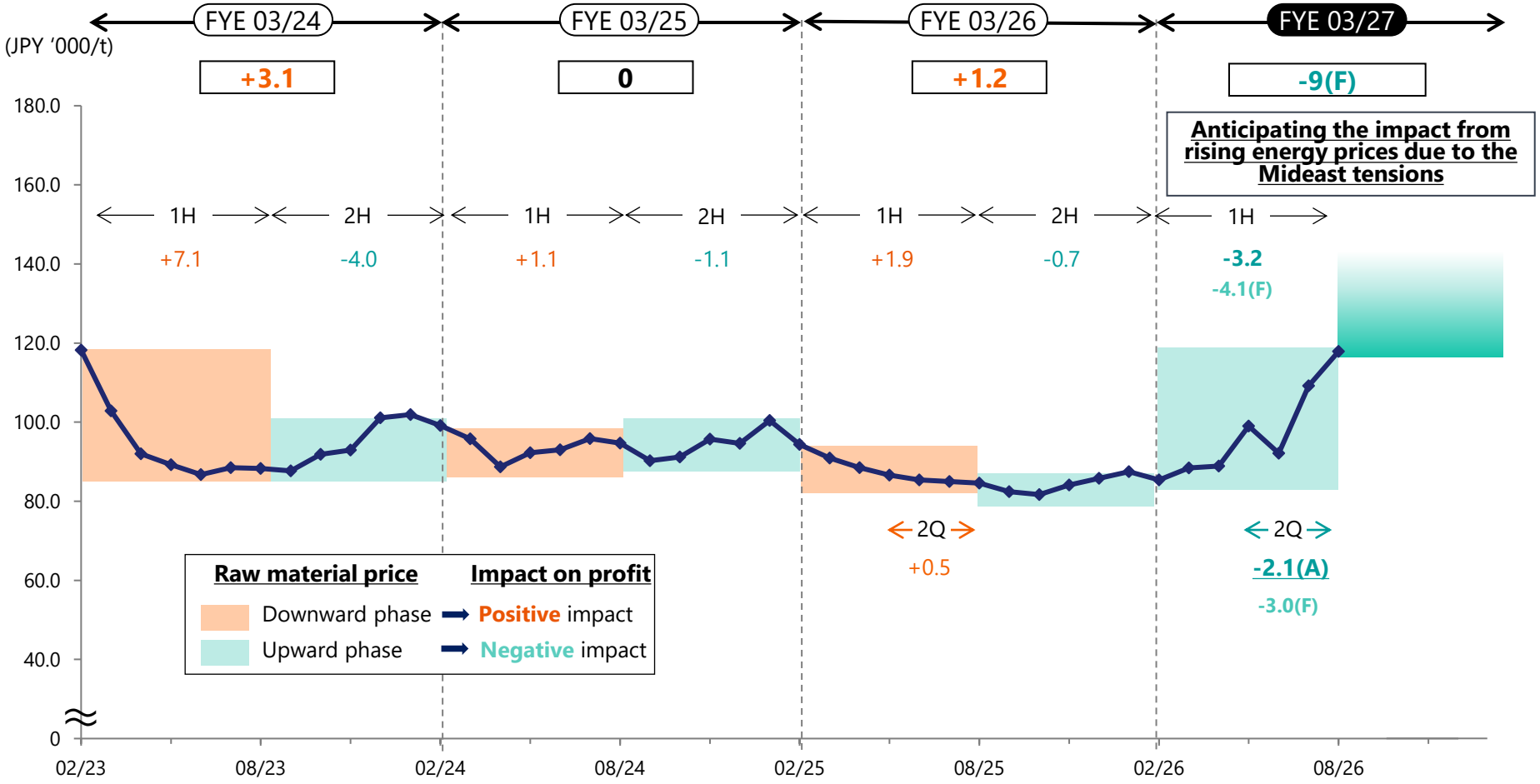
Impact from Raw Material Cost Adjustment (Slide Time Lag)

Slide time lag impact in the 1H (Apr.-Sept.) was -¥0.32B(+¥0.09B vs. the plan). Reflecting current market conditions, FY slide time lag impact has been revised from -¥1.1B to -¥0.9B.

Trends of LNG CIF* price

*CIF: Average price of LNG imported to Japan



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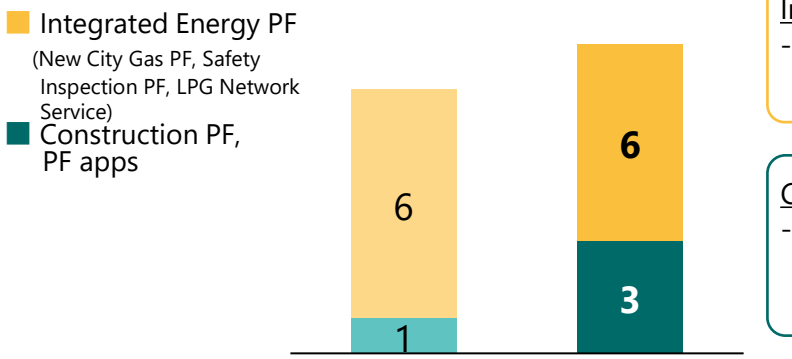
YoY(6) Platform Business (PF)

GP increased. The number of user companies is increasing, driven mainly by LPG Network Service and PF apps. Construction PF increased due to growth in HVAC and plumbing construction. Safety Inspection PF is sequentially expanding its service area for opening/shutting off valve, in addition to regular safety inspections. Projectes to increase the number of cases due to the labor shortage in the industry.

GP (¥100M)

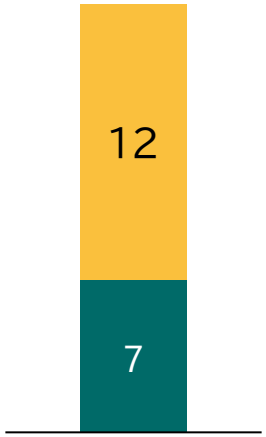
FYE 03/26 (1H/Apr.-Sept.)	FYE 03/27 (1H/Apr.-Sept.)	Key Points	FYE 03/27(P)
7	9	+2 YoY	19

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



Integrated Energy PF (0)
- Gradually increasing the users of LPG Network Service

Construction PF, PF apps (+2)
- Growth in HVAC and plumbing construction for public facilities and factories



# of companies using Platform
+3 companies (new clients)

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Capital Strategy(1) ROIC and ROE（FYE 03/27 - 03/29）

The content is identical to Three-Year Plan announced in April 2026

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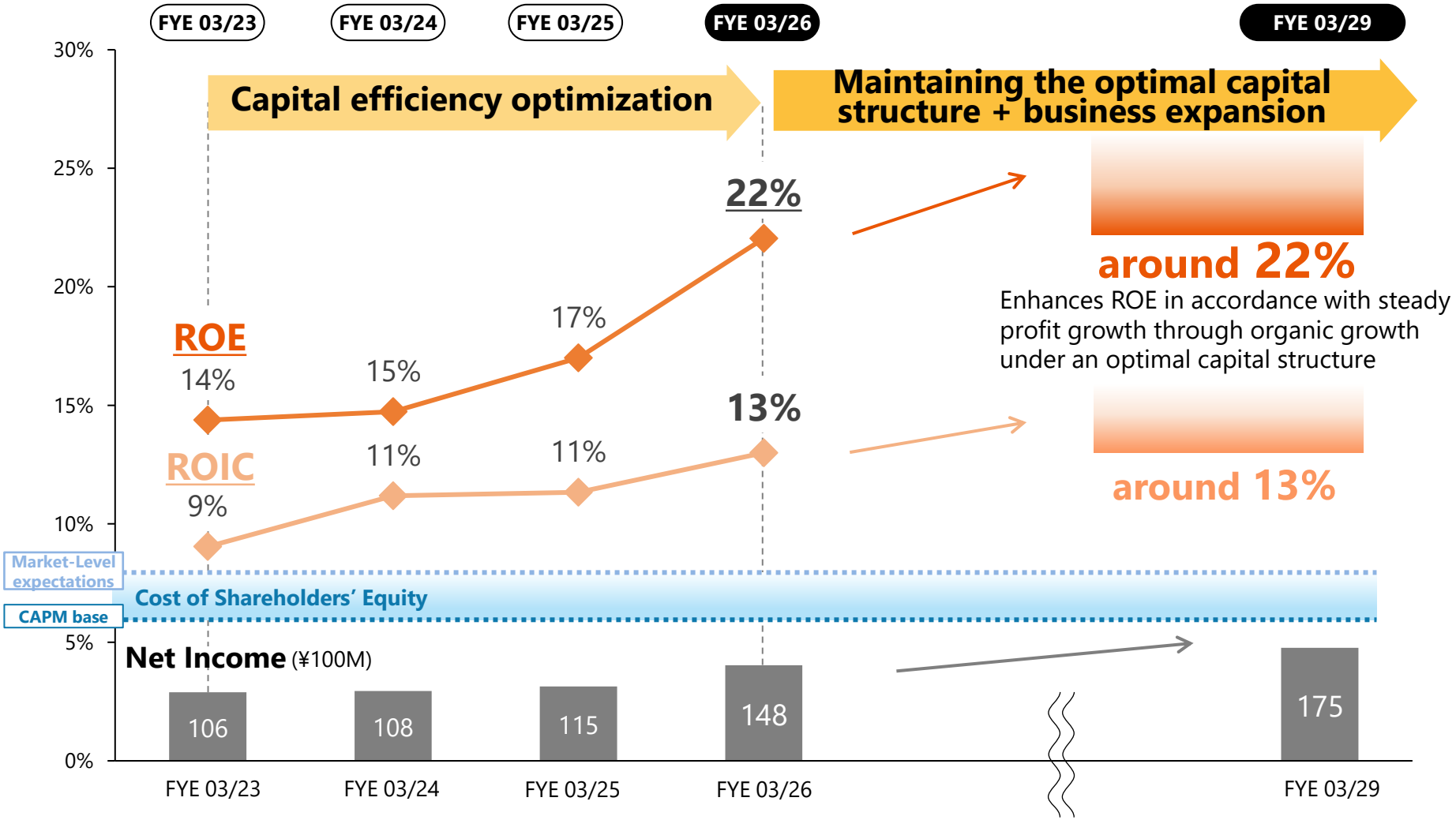
Enhances corporate value by maintaining high capital efficiency and steady profit growth. Placing strong emphasis on maximizing long-term Economic value added (EP) and will increase growth investments under a disciplined capital allocation framework.



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

The content is identical to Three-Year Plan announced in April 2026

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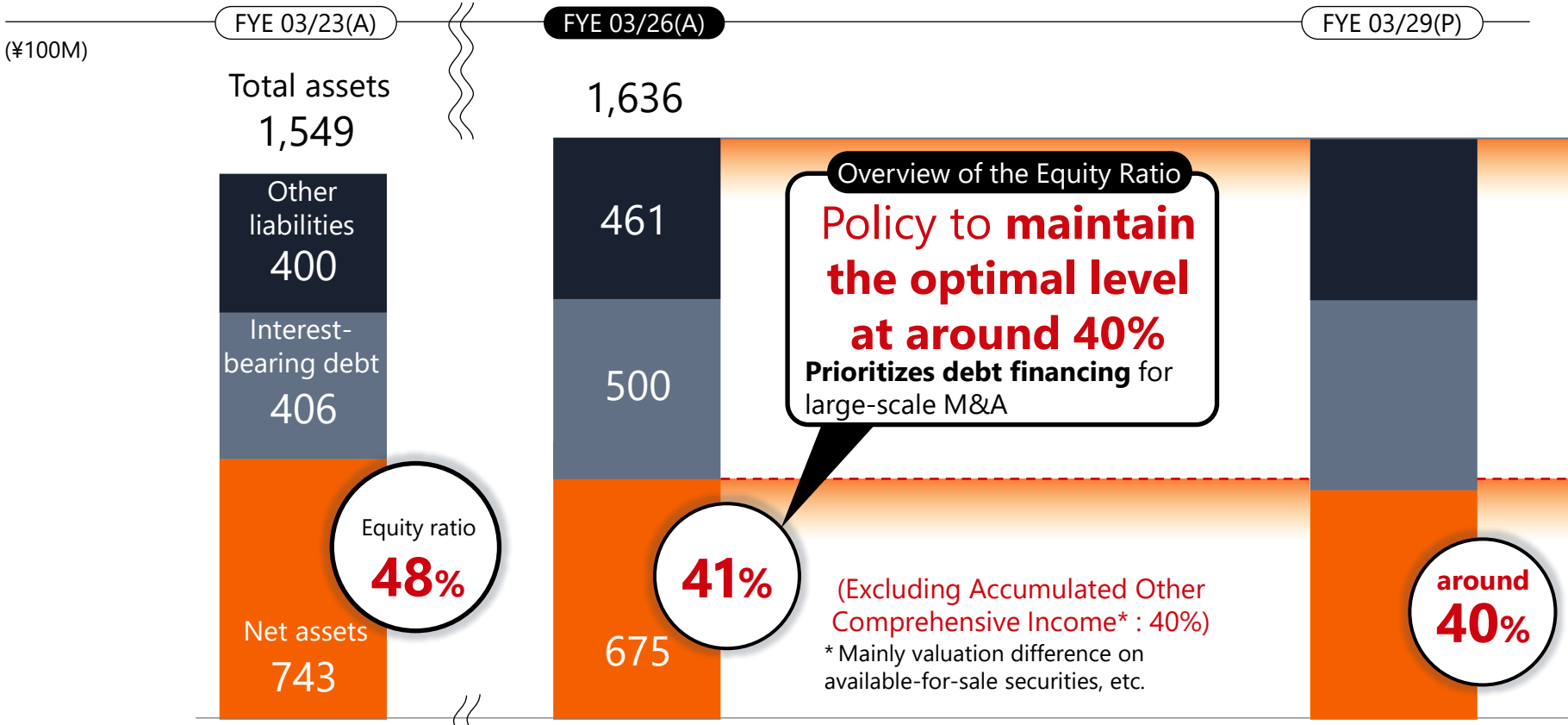
Adheres to the policy of not holding unnecessary shareholders' equity in order to sustain high capital efficiency, keeping NICIGAS' equity ratio at 40% without significantly expanding its assets.



	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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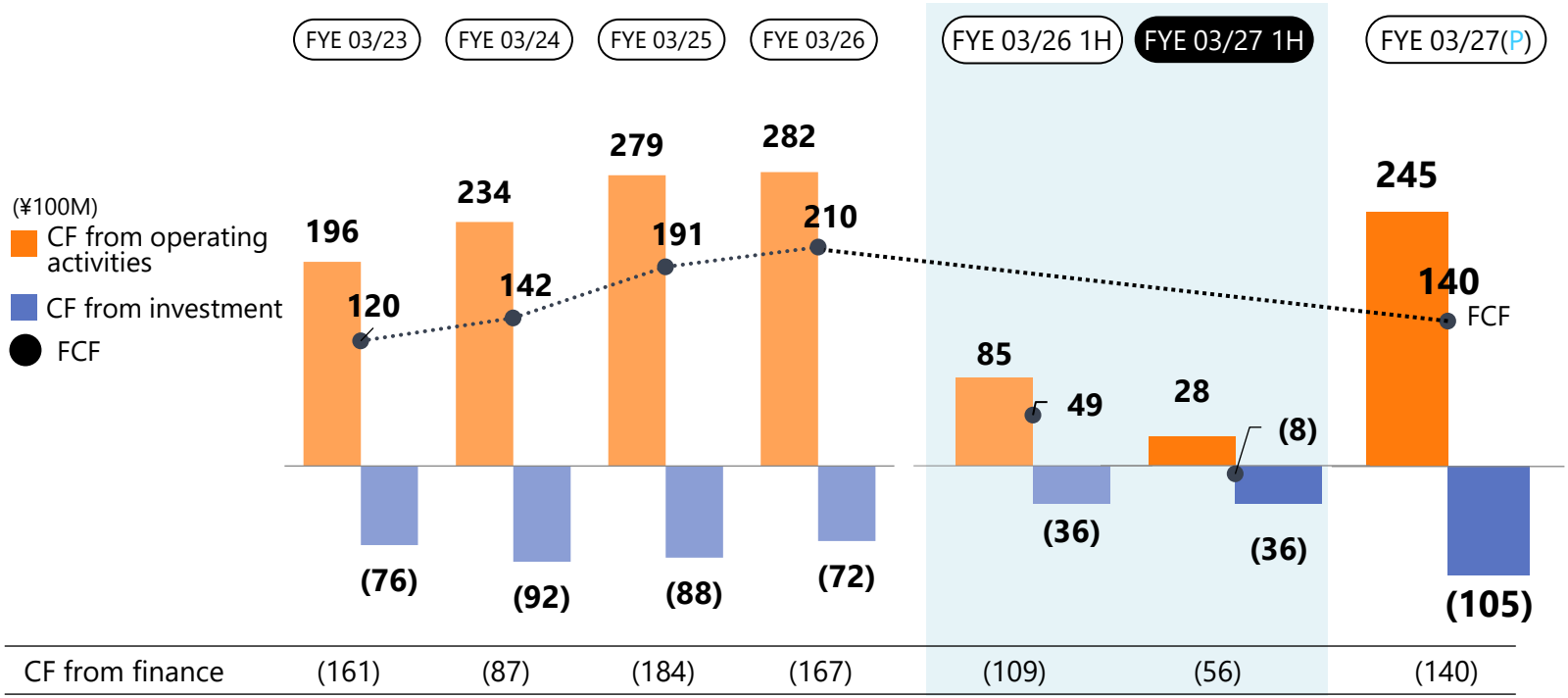
Capital Strategy(3) Cash Flow (CF)

CF from operating activities for the 1H decreased YoY, primarily due to an increase in inventory unit price, etc. caused by rising fuel prices. For CF from investment, steadily executes investments in growth sectors, with a primary focus on LPG M&A.



CF from finance	(161)	(87)	(184)	(167)	(109)	(56)	(140)

Breakdown of CF from investment (¥100M)	FYE 03/23	FYE 03/24	FYE 03/25	FYE 03/26	FYE 03/26 1H	FYE 03/27 1H	FYE 03/27(P)	(D&A)
LPG	16	25	24	22	6	15	48	(37)
[Incl. LPG M&A]	*[3]*	*[5]*	*[11]*	*[5]*	*[2]*	*[4]*	*[25]*	*[(7)]*
ICT	29	30	21	12	8	4	12	(17)
City Gas	33	41	45	44	22	23	45	(52)
Others (Investment in securities, etc.)	(2)*	(5)*	(2)*	(6)*	0	(6)	-	-

(* 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

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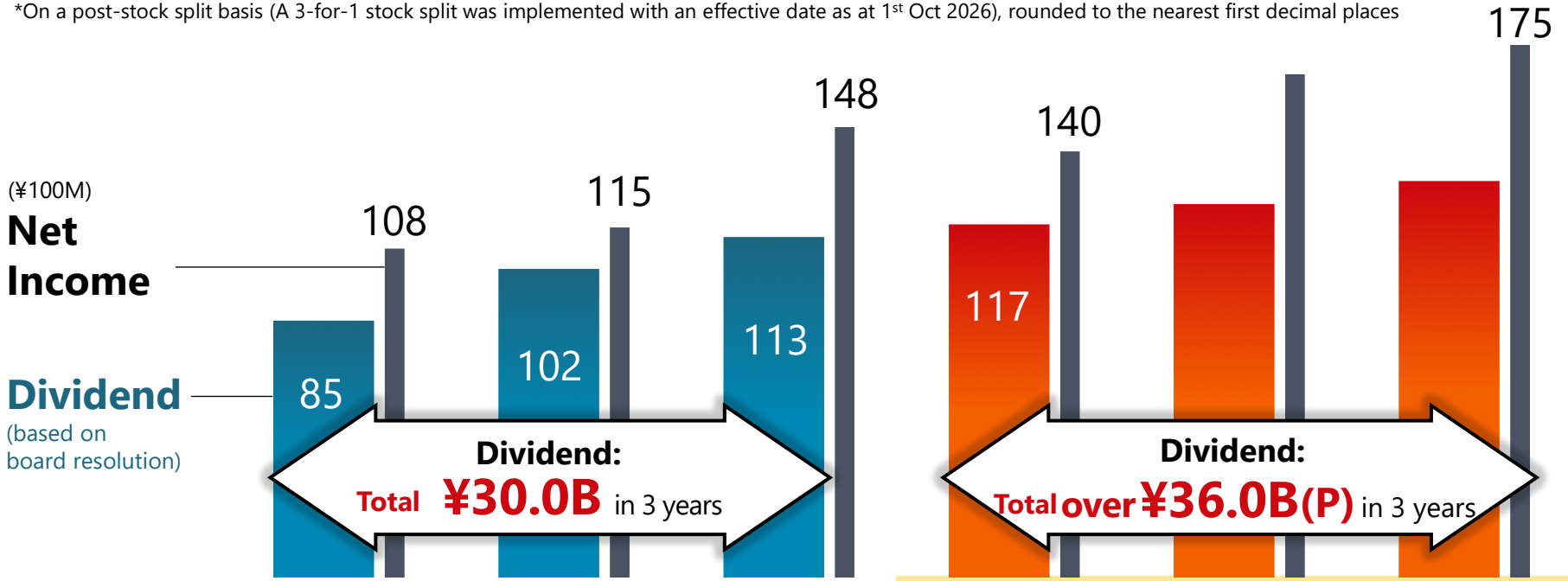
Capital Strategy(4) Shareholder Return

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) | FYE 03/28(P) | FYE 03/29(P)

*On a post-stock split basis (A 3-for-1 stock split was implemented with an effective date as at 1st Oct 2026), rounded to the nearest first decimal places



Dividend/share* (Post-split basis)	¥25.0	¥30.8	¥34.3	¥36.8	▸▸▸ 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

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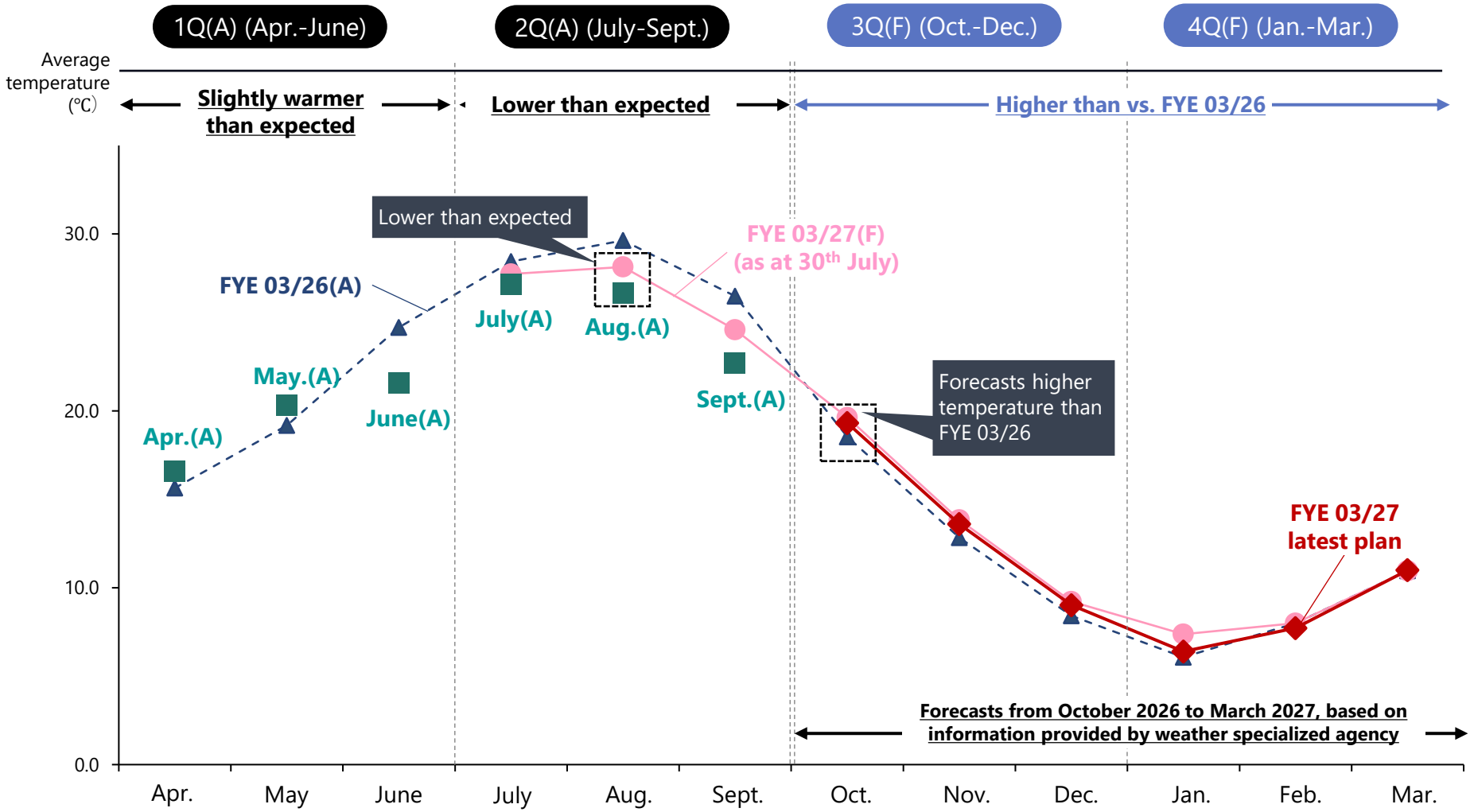
Reference Material(1) Average Temperature

The 2Q temperatures(July-Sept.) was lower than expected. Temperatures were lower than in the previous period. Temperature forecast for the 2H remains largely unchanged and is anticipated to be higher YoY.



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

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Reference Material(2) Key Financial Data by Segment

NICIGAS ニチガス

Gross Profit(GP)*(¥100M)	FYE 03/25	FYE 03/26	FYE 03/27 P (as at 30th July)	FYE 03/27 (Latest P)	Key Points on the revision for FYE 03/27	FYE 03/29 (P)
LP Gas (incl. Equipment, etc.)	**483**	**486**	**491**	**500**		**520**
# of total customers ('000)	1,030	1,051	**1,081**	**1,081**		**1,141**
Gas sales volume ('000t) Residential/C&I	178/109	181/106	**179/106**	**183/107**		**188/115**
Usage/customer	208	206	**198**	**202**	Revised the plan based on the 1H results	**197**
Residential margin (¥/kg)	232	231	**234**	**231**	Revised the 2H CP from US$650/t to US$680/t	**232**
Hybrid water heaters sales ('000 units)	5.3	7.2	**8.0**	**8.0**		**40**
City Gas (incl. Equipment, etc.)	**196**	**200**	**192**	**200**		**208**
# of total customers ('000)	590	609	**629**	**629**		**669**
Gas sales volume ('000t) Total of Residential and C&I	344	338	**343**	**346**	Revised the plan based on the 1H results	**359**
Slide time lag (¥100M)	0	+1.2	**-11**	**-9**	Revised the raw material price forecasts for the 2H	**0**
Electricity	**52**	**66**	**54**	**36**		**71**
# of total customers ('000)	381	404	**454**	**454**		**554**
E&G bundled rate (%)	23.5	24.3	**26.5**	**26.5**		**30.1**
Sales volume (GWh)	1,587	1,723	**1,761**	**1,611**	Revised the plan based on the 1H results	**2,166**
Margin (¥/kWh)	3.3	3.8	**3.1**	**2.2**	Revised the fuel price assumptions for the 2H	**3.3**
Platform	**14**	**16**	**18**	**19**		**21**

* Disclosed after reclassifying into new segment

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Reference Material(3)
Current Situation of Raw Material Procurement

The content is identical to Three-Year Plan announced in April 2026

NICIGAS ニチガス

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

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