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November 11, 2026

To whom it may concern

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Notice Concerning Disposal of Treasury Stock as Restricted Stock Incentives for the Employee Shareholding Association

Shizuoka Gas Co., Ltd. (the "Company") hereby announces that the Board of Directors adopted a resolution at its meeting today for the disposal of treasury stock (the "Disposal of Treasury Stock" or the "Disposal") as restricted stock for Shizuoka Gas Employee Shareholding Association (the "Shareholding Association") under a restricted stock incentive plan (the "Plan") as described below.

1. Overview of the Disposal

(1)	Disposal date	February 15, 2027
(2)	Class and number of shares subject to Disposal	27,140 shares of common stock of the Company (Note)
(3)	Disposal price	1,359 yen per share
(4)	Total value of Disposal	36,883,260 yen (Note)
(5)	Disposal method (planned allottee)	The number of shares applied for as determined by the Shareholding Association within the range of the number of shares to be disposed of as stated in (2) above will be allotted to the Shareholding Association on the condition that an application for subscription is made by the Shareholding Association using the method of third-party allotment (the number of allotted shares will be the number of shares to be disposed of). (Shizuoka Gas Employee Shareholding Association: 27,140 shares)
		No Eligible Employee (as defined below) may apply for only a portion of the shares to be granted to them.

Note: The "number of shares of disposal" and the "total amount of disposal" are calculated based on the assumption that 20 common shares of the Company, in the form of restricted stock, are granted to every one of the 1,357 employees of the Company and its subsidiaries, which represents the maximum number of persons eligible under the Plan. The actual number of shares of disposal and total amount of disposal will be determined in line with the number of employees (maximum 1,357) of the Company and its subsidiaries who consent to the Plan (the "Eligible Employees") following completion of the confirmation of consent to the Plan among members of the Shareholding Association. Specifically, as stated in (5) above, a number of subscription shares determined by the Shareholding Association shall be the "number of shares of disposal," and the amount equal to that number multiplied by the disposal price per share shall be the "total amount of disposal." Every Eligible Employee will be provided with monetary claims of 27,180 yen by the Company or a subsidiary of the Company, and will receive an allotment of 20 shares from the Company through the Shareholding Association.

2. Purpose and Reasons for the Disposal

The Company introduced the Plan, with the aim of assisting employees of the Shizuoka Gas Group in wealth creation and providing them with an incentive to boost the Company's corporate value on an ongoing basis, while also increasing their motivation to engage in value sharing with the shareholders and enhancing corporate value, by giving the employees of the Company and its subsidiaries who are members of the Shareholding Association and are deemed to be Eligible Employees the opportunity to acquire the Company's common shares, in the form of restricted stock, to be either issued or disposed of by the Company through the Shareholding Association, as an initiative to enhance employee welfare.

< Overview of the Plan >
Under the Plan, each Eligible Employee of the Company and its subsidiaries is furnished with monetary claims in the form of a special incentive (the "Special Incentives") for the purpose of granting 20 shares of restricted stock to each Eligible Employee. Eligible Employees then contribute the Special Incentives to the Shareholding Association. Next, the Shareholding Association pays the Special Incentives contributed by Eligible Employees to the Company as an in-kind contribution, and in return will receive the Company's shares issued or disposed of in the form of restricted stock. Where the Company's common shares are to be newly issued or disposed of under the Plan, the amount to be paid per common share shall be determined by the Board of Directors based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day immediately preceding the date of the relevant resolution by the Board of Directors with respect to issuance or disposal respectively (or the closing price of the immediately preceding trading day if no trading was effected on that date) to the extent that such amount is not particularly favorable to the Shareholding Association (and in turn Eligible Employees). Upon the issuance or disposal of the Company's common shares under the Plan, the Company and the Shareholding Association shall enter into an agreement on the allotment of restricted stock (the "Allotment Agreement"), which shall include such provisions as (i) there shall be a prohibition on transfers, pledges, or any other disposal of the shares allotted to the Shareholding Association for a certain period (the "Transfer Restrictions"); and (ii) the Company shall acquire the allotted shares without consideration upon the occurrence of certain events. In addition, the Company's payment of the Special Incentives to the Eligible Employees shall be carried out on the condition that the Allotment Agreement is entered into between the Company and the Shareholding Association. In accordance with the regulations, detailed rules, and special provisions of the Shareholding Association, etc. (the "Shareholding Association's Rules, etc."), Eligible Employees shall be restricted from withdrawing their member's equity interests in the restricted stock, which will be held by Eligible Employees in proportion to monetary claims contributed to the Shareholding Association (the "Restricted Stock Equity Interests" or "RS Equity Interests") until such time as the Transfer Restrictions are lifted.

Under the Plan, the Disposal of Treasury Stock involves the Shareholding Association, as the planned allottee, paying the full amount of the Special Incentives contributed by Eligible Employees in the form of assets contributed in kind, and in return receiving the Company's common shares (the "Allotted Shares") via disposal. For the Disposal of Treasury Stock, a summary of the Allotment Agreement is provided in "3. Outline of the Allotment Agreement" below. The number of shares of disposal in connection with the Disposal of Treasury Stock is to be determined at a later date, as per the Note in the item 1. above. In the event that the maximum number of employees of the Company and its subsidiaries who are potentially eligible under the Plan, being 1,357 employees, give their consent to the Plan, the number of shares will be 27,140. When assuming such a number of shares to be disposed of, the level of dilution of shares in connection with the Disposal of Treasury Stock is equivalent to 0.04% of the total 76,192,950 shares issued as of June 30, 2026 (this percentage and all subsequent percentages are rounded to two decimal places), and 0.04% of the total 753,596 number of voting rights as of June 30, 2026.

The Plan's introduction provides Eligible Employees with the opportunity to acquire the Company's common shares, in the form of restricted stock, to be either issued or disposed of by the Company through the Shareholding Association, as an employee welfare initiative intended to assist employees of the Shizuoka Gas Group in wealth creation while providing them with an incentive to boost the Company's corporate value on an ongoing basis, while also increasing their motivation to engage in value sharing with the shareholders. The Plan is designed to increase the overall corporate value of the Shizuoka Gas Group. Both the number of shares of disposal in the Disposal of Treasury Stock and the level of dilution of shares are considered appropriate and reasonable. Furthermore, the impact on the market of this level of dilution is considered to be negligible.

The Disposal of Treasury Stock is conditional upon the amended Shareholding Association's Rules, etc. becoming effective no later than the day immediately preceding the disposal date, and upon the Allotment Agreement being entered into between the Company and the Shareholding Association within the prescribed period.

3. Outline of the Allotment Agreement

(1) Restricted transfer period

From February 15, 2027 until the date on which each Eligible Employee retires from their position as an employee of the Company or its subsidiary, where that position qualifies the Eligible Employee for membership in the Shareholding Association.

(2) Conditions for lifting Transfer Restrictions

Upon the expiration of the restricted transfer period, where Eligible Employees have remained in the Shareholding Association for the duration of the restricted transfer period, the Transfer Restrictions shall be lifted in relation to all of the Allotted Shares in the number corresponding to the Restricted Stock Equity Interests held by the Eligible Employees who have fulfilled such condition.

(3) Treatment in case of withdrawal from the Shareholding Association

In the event that an Eligible Employee withdraws from the Shareholding Association during the restricted transfer period due to mandatory retirement or other justifiable reasons (whether through loss of membership status or an application for withdrawal, including withdrawal due to the death of the Eligible Employee), the Company shall, on the date on which the Shareholding Association receives the Eligible Employee's application for withdrawal (for loss of membership status, the date of loss of membership status; for death, the date of death; collectively the "Date of Receipt of Withdrawal Application"), lift the Transfer Restrictions applicable to all of the Allotted Shares in the number corresponding to the Restricted Stock Equity Interests held by the Eligible Employee, effective on the Date of Receipt of Withdrawal Application.

(4) Treatment in the case of becoming a non-resident

If the Company or its subsidiary decides during the restricted transfer period that an Eligible Employee will become a non-resident due to an overseas transfer or similar circumstances, the Transfer Restrictions shall be lifted in relation to all of the Allotted Shares in the number corresponding to the Restricted Stock Equity Interests held by the Eligible Employee as of the date of the decision (the "Date of Overseas Transfer Decision"), effective on the Date of Overseas Transfer Decision.

(5) Acquisition by the Company without consideration

The Company shall automatically acquire all of the Allotted Shares in the number corresponding to the Restricted Stock Equity Interests held by the Eligible Employee at that point in time without consideration if the Eligible Employee engages in any illegal activities during the restricted transfer period or if any other specified circumstances under the Allotment Agreement apply. Furthermore, the Company shall automatically acquire without consideration the Allotted Shares for which the Transfer Restrictions are not lifted at the time of expiration of the restricted transfer period or at the time of lifting of the Transfer Restrictions stipulated in (3) or (4) above.

(6) Share management

The Allotted Shares shall be managed in an exclusive account opened by the Shareholding Association at Nomura Securities Co., Ltd. during the restricted transfer period so that the Allotted Shares may not be transferred, pledged or otherwise disposed of during the restricted transfer period. The Shareholding Association shall ensure that the Restricted Stock Equity Interests are registered and administered separately from the member's other equity interests held by Eligible Employees (the "Ordinary Equity Interests") in accordance with the provisions of the Shareholding Association's Rules, etc.

(7) Treatment in organizational restructuring, etc.

In the event that a merger agreement under which the Company becomes a defunct company, a share exchange agreement under which the Company becomes a wholly owned subsidiary, a share transfer plan, or any other form of organizational restructuring is approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if such approval is not required) during the restricted transfer period, upon resolution of the Board of Directors, the Transfer Restrictions shall be lifted, as of the time immediately prior to the business day preceding the effective date of the said organizational restructuring, etc., for all of the Allotted Shares in the number corresponding to the Restricted Stock Equity Interests held by Eligible Employees among the Allotted Shares held by the Shareholding Association on the date of such approval.

4. Grounds for calculation of the disposal amount and its specific details

The Disposal of Treasury Stock to the Shareholding Association, being the planned allottee, will be effected using the Special Incentives provided to Eligible Employees for the grant of restricted stock and contributed to the

Shareholding Association by said Eligible Employees as the assets to be contributed. To eliminate arbitrariness, the disposal amount is set at 1,359 yen, the closing price of the Company's common share on the Prime Market of the Tokyo Stock Exchange on November 10, 2026 (the business day prior to the date of the Board of Directors' resolution). This is the market price immediately prior to the date of the Board of Directors' resolution and we believe that it is reasonable and does not constitute a particularly favorable amount.

The deviation ratio between the disposal amount and the average closing price of the Company's common share on the Prime Market of the Tokyo Stock Exchange is given below, rounded to two decimal places.

Period	Average closing price (rounded down to the nearest yen)	Deviation rate
One month (October 13, 2026 – November 10, 2026)	1,339 yen	1.49 %
Three months (August 12, 2026 – November 10, 2026)	1,321 yen	2.88 %
Six months (May 11, 2026 – November 10, 2026)	1,289 yen	5.43 %

All four Audit & Supervisory Board Members (including three Outside Members) who attended today's Board of Directors meeting considered the purpose of the Disposal of Treasury Stock related to the introduction of the Plan and the disposal amount, which was based on the closing price of the Company's common shares on the Prime Market of the Tokyo Stock Exchange on the business day before the date of the resolution of the Board of Directors, and expressed an opinion that the disposal amount was not unduly favorable to the planned allottee and that the process was lawful.

5. Matters related to procedures based on corporate code of conduct

The Disposal of Treasury Stock does not require the Company to obtain the opinion of an independent third party or to confirm the intention of shareholders as set forth in Rule 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange because (1) the dilution rate is below 25% and (2) there is no change in the controlling shareholder.

[Reference]

Structure of the Plan

(i) The Company and its subsidiaries provide Eligible Employees with monetary claims in the form of the Special Incentives for the grant of restricted stock.

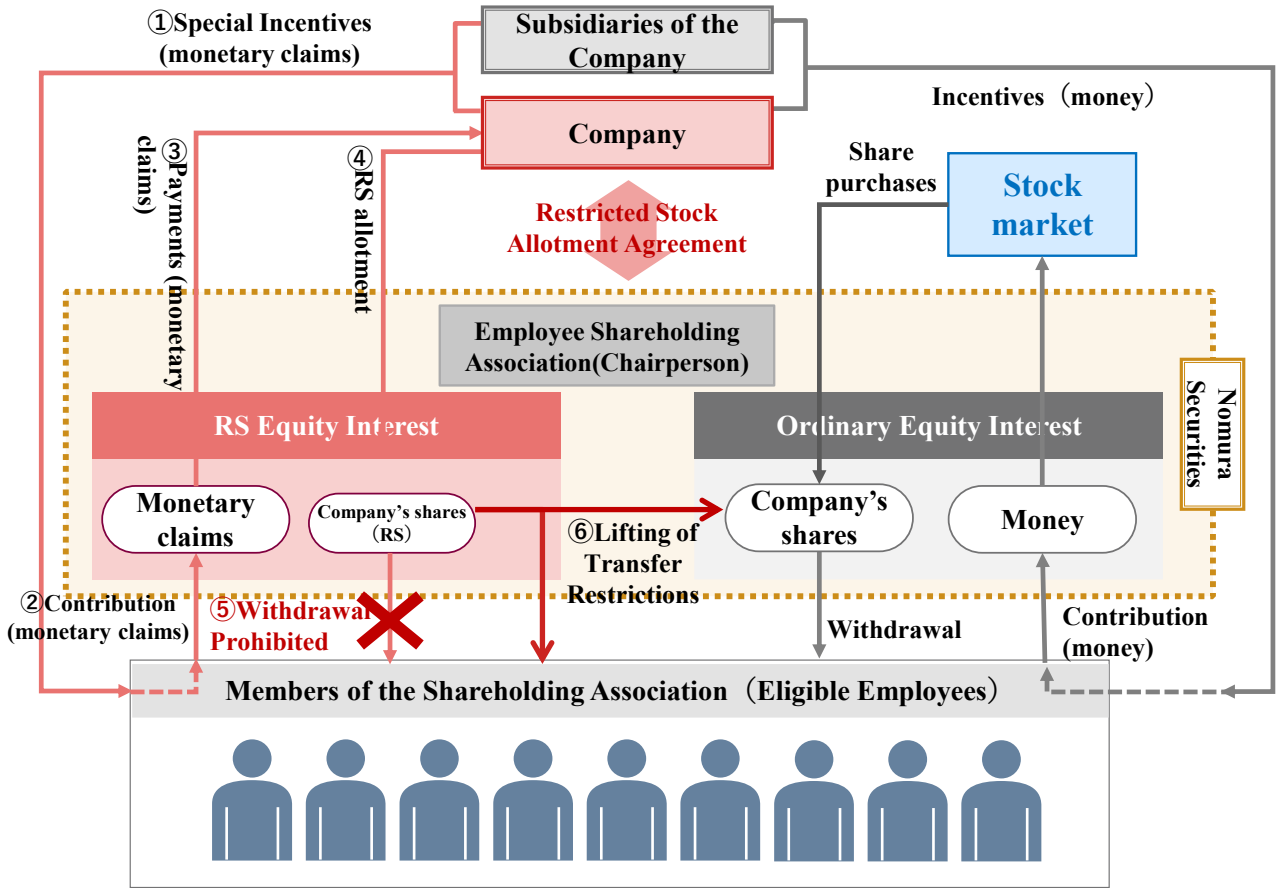
(ii) The Eligible Employees contribute the monetary claims in (i) above to the Shareholding Association.

(iii) The Shareholding Association collects the monetary claims contributed in (ii) above and pays them to the Company.

(iv) The Company allots the Allotted Shares to the Shareholding Association in the form of restricted stock (shown as RS in the diagram below).

(v) The Allotted Shares are stored in an exclusive account at Nomura Securities Co., Ltd., which is opened by the Shareholding Association and withdrawals are restricted during the restricted transfer period.

(vi) After the Transfer Restrictions are lifted, the Allotted Shares will be converted to the Ordinary Equity Interests or transferred to a securities account in the name of the Eligible Employee.


①Special Incentives (monetary claims)
Subsidiaries of the Company
Incentives（money）
Company
③Payments (monetary claims)
④RS allotment
Share purchases
Stock market
Restricted Stock Allotment Agreement
Employee Shareholding Association(Chairperson)
Nomura Securities
RS Equity Interest
Ordinary Equity Interest
Monetary claims
Company's shares (RS)
⑥Lifting of Transfer Restrictions
Company's shares
Money
②Contribution (monetary claims)
⑤Withdrawal Prohibited
Withdrawal
Contribution (money)
Members of the Shareholding Association（Eligible Employees）

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