

Notice Regarding for the Conclusion of an Absorption-type Company Split Agreement
Related to the Split of Transmission and Transformation Business

Electric Power Development Co., Ltd. (hereafter, “J-POWER”) hereby gives notice that in accordance with a resolution of a board of directors meeting held today, April 26, 2019, J-POWER entered into an absorption-type company split agreement with Electric Power Development Electricity Transmission Business Division Co., Ltd., (hereafter, “the Successor Preparatory Company”) a wholly owned subsidiary of J-POWER.

The Absorption-type company split agreement takes effect on the premise that successor company will obtain the permission and approval required for carrying out the business from the relevant ministries and agencies.

As one of J-POWER’s wholly owned subsidiaries is expected to succeed to a J-POWER business department in this company split, J-POWER has omitted some items in this disclosure.

1. Purpose of the Conclusion of an Absorption-type Company Split Agreement

J-POWER plans to spin off the division of the power transmission and transformation business to respond to the legal separation of the power transmission sector prescribed in the electricity utilities business law and to secure further neutrality of the power transmission and transformation sectors. J-POWER established the Successor Preparatory Company, a wholly owned subsidiary of J-POWER, as a preparation for the split of transmission and transformation business.

Now J-POWER entered into an absorption-type company split agreement with the Successor Preparatory Company, which takes effect on April 1st, 2020 to succeed transmission and transformation business to the Successor Preparatory Company.

2. Overview of the Company Split

1) Company Split Schedule

Date of Board of Directors Resolution (J-POWER)	April 26, 2019
Date of Director’s Decision (the Successor Preparatory Company)	April 26,2019
Date of Conclusion of the Agreement	April 26, 2019
Date of Approval on General Meeting of Shareholders (the Successor Preparatory Company)	May 24,2019(Scheduled)
Effective Sate of the Absorption -type Company Split	April 1, 2020(Scheduled)

2) Company Split Method

Absorption-type company split, where J-POWER is the splitting company, and the Successor Preparatory Company is the succeeding company.

3) Allotment in this company split

The Successor Preparatory Company will issue 374,900 common stocks accompanying the company split. All of the stocks will be allocated to J-POWER.

4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying Company Split

J-POWER has no bonds with stock acquisition rights.

5) Capitalization Changes Accompanying Company Split

There will be no changes in J-POWER's capitalization as a result of the company split.

6) Succession of Rights and Obligations

The Successor Preparatory Company will succeed to rights and obligations held by J-POWER relating to transmission business in accordance with the provisions set forth in the absorption-type company split agreement concluded with J-POWER on April 26,2019.

The Successor Preparatory Company's assumption of the debt related to the business shall be done without recourse to J-POWER.

7) Prospect on Fulfilment of Obligations

J-POWER as well as the Successor Preparatory Company are judged to be capable of fulfilling the obligations because neither of the companies are expected to hold liabilities in excess of assets and there are presently no events in the business activities of the companies that may hinder the execution of claims after the company split.

3. Profiles of the Parties of the Company Split

3-1 Splitting Company (As of March 31,2019)

1) Company Name	Electric Power Development Co., Ltd.
2) Address	15-1, Ginza 6-Chome, Chuo-ku, Tokyo
3) Name and Title of Representative	Representative Director, President & CEO Toshifumi Watanabe
4) Description of Business	Electricity Business, etc.
5) Capital	180,502
6) Establishment Date	September 16, 1952
7) Number of Issued Shares	183,051,100 shares
8) Fiscal Year-end	March 31

9) Main Shareholders and Shareholding (%)	Japan Trustee Services Bank, Ltd. (Trust Account)	6.43
	The Master Trust Bank of Japan, Ltd (Trust Account)	5.48
	Nippon Life Insurance Company	5.00
	Japan Trustee Services Bank, Ltd. (Trust Account 9)	3.69
	Mizuho Bank, Ltd.	3.31
	JP MORGAN CHASE BANK 385632	2.96
	Sumitomo Mitsui Banking Corporation	2.35
	J-POWER Employees Shareholding Association	2.14
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.82
	Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.70
10) Financial Conditions and Business Results for Most Recent Fiscal Year (ended March 2019) (Consolidated)		
Net Assets		845,582
Assets		2,766,179
Net Assets per Share(yen)		4,356.54
Operating revenue		897,366
Operating Income		78,844
Ordinary Income		68,539
Profit Attributable to Owners of Parent		46,252
Earnings per Share(yen)		252.68

(Unless otherwise specified, the table is shown in units of million yen)

3-2 Succeeding Company (As of April 1,2019)

1) Company Name	Electric Power Development Electricity Transmission Business Division Co., Ltd.
2) Address	15-1, Ginza 6-Chome, Chuo-ku, Tokyo
3) Name and Title of Representative	Director Ryou Suzuki
4) Description of Business	Transmission Business, etc. (No business is conducted prior to the conclusion of the absorption-type company split agreement)
5) Capital	5
6) Establishment Date	April 1, 2019

7) Number of Issued Shares	100 shares		
8) Fiscal Year-end	March 31		
9) Main Shareholders and Shareholding (%)	Electric Power Development Co., Ltd.		100
10) Financial Conditions and Business Results for Most Recent Fiscal Year (ended March 2019) (Consolidated)			
Net Assets			10
Assets			10
Net Assets per Share(yen)			100,000
Operating revenue		-	
Operating Income		-	
Ordinary Income		-	
Profit Attributable to Owners of Parent		-	

(Unless otherwise specified, the table is shown in units of million yen)

Note) It is stated Only net assets, assets, and net assets per Share as of the establishment date of the Succeeding Company in the 10) Financial Conditions and Business Results for the Most Recent Fiscal Year because the Succeeding Company was established on April 1, 2019 and thus there are no business results for the most recent fiscal year.

4. Overview of the Business to Be Split

1) Business to Be Split

Transmission Business, etc.

2) Business results of Divisions to Be Split

(million yen)

Business to Be Split	Revenue of the Business to Be Split for FY 2018 (a)	Revenue of the Splitting Company for FY 2018 (Unconsolidated) (b)	Ratio(%) (a/b)
Transmission Business	49,497	646,958	7.7

3) Assets and Liabilities to Be Split

(million yen)

Assets		Liabilities	
Category	Amount	Category	Amount
Noncurrent Assets	235,620	Noncurrent Liabilities	480

Current Assets	9,041	Current Liabilities	2,793
Total	244,661	Total	3,273

Note) The actual amount of assets and liabilities to be split may vary from the amounts listed above because they are calculated based on the Balance Sheet ended March 31,2018.

5. Situation After the Company Split (As of April 1, 2020) (Scheduled)

	Splitting Company
1) Company Name	Electric Power Development Co., Ltd.
2) Address	15-1, Ginza 6-Chome, Chuo-ku, Tokyo
3) Name and Title of Representative	Representative Director, President & CEO Toshifumi Watanabe
4) Description of Business	Electricity Business, etc.
5) Capital (million yen)	180,502
6) Fiscal Year-end	March 31

	Succeeding Company
1) Company Name	Electric Power Development Electricity Transmission Business Division Co., Ltd.
2) Address	15-1, Ginza 6-Chome, Chuo-ku, Tokyo
3) Name and Title of Representative	Director Ryou Suzuki
4) Description of Business	Transmission business, etc.
5) Capital(million yen)	5
6) Fiscal Year-end	March 31

Note) Electric Power Development Electricity Transmission Business Division Co., Ltd., is scheduled to be changed the company name to “J-POWER Transmission Network Co., Ltd.” on April 1, 2020.

6. Outlook

The company Split is expected to have little impact on J-POWER's consolidated operating results.