

April 25, 2019

Notice of Spin off of the General Power Transmission and Distribution Business
through Company Split

The Kansai Electric Power Co., Inc. (Code: 9503)

6-16 Nakanoshima 3-chome, Kita-ku, Osaka

(URL <https://www.kepco.co.jp>)

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Today, by resolution of the board of directors, we decided that on April 1, 2020, as a tentative date, we will transfer our general power transmission and distribution business through company split to the Kansai Transmission and Distribution, Inc. (hereinafter referred to as “succeeding company”), and on the same date, we executed an absorption-type split agreement with succeeding company (this company split is hereinafter referred to as “Split”).

The effect of Split are subject to approval of the related proposals at the 95st ordinary general shareholders meeting planned to be convened on June 21, 2019, as well as issue by the competent authorities of permits and approvals necessary for the performance of business.

Because the Split is a company split to a 100% subsidiary of us, we have omitted a portion of disclosure matters/contents in our disclosure.

1. Background and purpose of Split

In regard to Japan’s energy policy, from the standpoint of stable supply of energy and reduction of energy costs, electric power systems reform aiming to “secure a stable supply of electric power”, “suppress electricity rates to the maximum extent possible” and to “expand choices for consumers and business opportunities” are proceeded. In April 2020, as the 3rd step of such reform, the revised Electricity Business Act will come into force in which a person engaged in the general electricity transmission and distribution business is prohibited, in principal, to also engage in the electricity generation business or the retail electricity business, thus aiming to further secure neutrality of the electricity transmission division and to realize a further competitive market environment. As a result, spin off of the general electricity transmission and distribution business will be required (hereinafter referred to as “Legal Separation”).

In order to accommodate the requirement of the revised Electricity Business Act, on April 1, 2019, we established the Kansai Transmission and Distribution, Inc. (100%-owned subsidiary of us) as a business operator to undertake the general electricity transmission and distribution business and any business incidental thereto, and on the same date, executed an absorption-type split agreement with Succeeding Company to transfer, on April 1, 2020(schedule) such business to Succeeding Company through such absorption-type split.

In regard to the electricity generation business and the retail electricity business, we will work in a

consolidated way as the operating holding company even after Legal Separation, to allow the best use of our management resources according to the then-current environment, and aim to maximize the value of our Group by providing a variety of energy solutions to our customers and the society, and to have them select us from among others.

We will not only appropriately respond to Legal Separation, but also will realize the sustainable growth of our whole group (including the Kansai Transmission and Distribution, Inc.) by continuing to achieve safe and stable supply, to overcome changes in the business environment and to proceed with the reform.

2. Outline of Split

(1) Schedule of Split

Board of directors to approve the agreement on absorption-type split (our company)

: April 25, 2019

Resolution of directors to approve the agreement on absorption-type split (succeeding company): April 25, 2019

Execution of the agreement on absorption-type split: April 25, 2019

Ordinary general stockholders meeting to approve the agreement on absorption-type split

: June 21, 2019

Extraordinary stockholders meeting to approve the agreement on absorption-type split (succeeding company): June 21, 2019

Absorption-type split to come into effect: April 1, 2020

(2) Type of Split

This is an absorption-type split where our company is a splitting company and the Kansai Transmission and Distribution, Inc., subsidiary wholly owned by our company, is a succeeding company

(3) Particulars of allotment due to Split

For the company split, succeeding company shall make a new issue of 40,900,000 common shares and allot all of them to our company.

(4) Arrangement of our company's share options and corporate bonds with share options

Our company has not issued share options and corporate bonds with share options.

(5) Capital increased or decreased due to Split

There will be no change in capital due to Split.

(6) Rights and obligations succeeded to by succeeding company

Kansai Transmission and Distribution, Inc. shall succeed the rights and obligations held with respect the general electricity transmission and distribution business and any business incidental

thereto on the effective day in accordance with the provisions of the absorption-type company split agreement with our company on April 25, 2019.

With respect to the assumption of obligations by the succeeding company through the Split, the succeeding company will assume, and in doing so, release our company from, such obligations. Succeeding company will not assume obligations etc. associated with existing public bonds of us, but to protect the rights of bondholders and others, we plan to set up the framework set forth in Reference Material “Protection Plan for Bonds with a Statutory Preferential Right Contingent to Split”.

(7) Perspective of performance of obligation

It is expected that our company and succeeding company will still have assets in excess of liabilities after the Split, and presently we do not envision the occurrence of any events that would cause an impediment to the performance of obligations arising after the Split, and for these reasons, we judge there to be no problems with respect to the prospects for our company and succeeding company to perform its obligations after the Split.

3. Outline of parties to company split

	Splitting company [As of March 31, 2019]	Succeeding company [As of April 1, 2019]
(1) Company name	Kansai Electric Power Co., Inc.	Kansai Transmission and Distribution, Inc.
(2) Location	3-6-16 Nakanoshima, Kita-Ku, Osaka City	3-6-16 Nakanoshima, Kita-Ku, Osaka City
(3) Title and name of authorized representative	Shigeki Iwane, President and Director	Yoshihiro Doi, President and Director
(4) Description of business	Electricity business, etc.	Does not conduct business
(5) Capital	489,320 million yen	5 million yen
(6) Date of establishment	May 1, 1951	April 1, 2019
(7) Total number of issued shares	938,733,028 shares	200 shares
(8) End of accounting period	March 31	March 31
(9) Major shareholders and ratio of shareholding	Osaka City 7.64% Japan Trustee Services Bank, Ltd. (Trust Account) 5.02% The Master Trust Bank of Japan, Ltd. (Trust Account) 4.16% Nippon Life Insurance Company 3.65% Kobe City 3.06%	Kansai Electric Power Co., Inc. 100.00%
(10) Financial condition and operating results of last fiscal period [Fiscal year ended March 2019, consolidated]		
Net assets	1,532,946 million yen	10 million yen
Total assets	7,257,363 million yen	10 million yen
Net assets per share	1,695.36 yen	50,000.00 yen

Sales	3,307,661 million yen	-
Operating income	204,853 million yen	-
Ordinary income	203,636 million yen	-
Net income attributable to owners of the parent	115,077 million yen	-
Net income per share	128.83 yen	-

(Note) Since the succeeding company was incorporated on April 1, 2019 and had no most recent fiscal year, the section (10) Financial condition and operating results of last fiscal period lists only its Net Assets, Total Assets, and Net Assets Per Share as of the date of incorporation.

4. Outline of business unit to be split

(1) Description of business unit to be split

General electricity transmission and distribution business and any business incidental thereto

(2) Operating results of business unit to be split [Fiscal year ended March 2019]

Businesses of Divisions Subject to Split	Sales of Businesses Subject to Split (a)	Unconsolidated Sales of our company (b)	Ratio (a/b)
General electricity transmission and distribution business and any business incidental thereto	192,841 million yen	2,797,191 million yen	6.9%

(Note) External sales are stated.

(3) Items and amounts of assets and liabilities to be split [As of March 31, 2019]

Assets		Liabilities	
Item	Book value	Item	Book value
Property	2,330,228 million yen	Long-term liabilities and reserves	187,866 million yen
Current assets	38,413 million yen	Current liabilities	133,425 million yen
Total	2,368,641 million yen	Total	321,292 million yen

Notes: The amounts of assets and liabilities to be divided shown above are the estimates pursuant to the current status as of March 31, 2019. The amounts that will actually be transferred will reflect any increases or decreases made to the above amounts up to the day immediately preceding the effective date of the Split.

5. State of affairs of our company after Split [As of April 1, 2020 (Schedule)]

	Splitting company
(1) Company name	Kansai Electric Power Co., Inc.
(2) Location	3-6-16 Nakanoshima, Kita-Ku, Osaka City
(3) Title and name of authorized representative	Shigeki Iwane, President and Director
(4) Description of business	Electricity business, etc.
(5) Capital	489,320 million yen
(6) End of accounting period	May 1, 1951

6. State of affairs of succeeding company after Split [As of April 1, 2020 (Schedule)]

	Succeeding company
(1)Company name	Kansai Transmission and Distribution, Inc.
(2)Location	3-6-16 Nakanoshima, Kita-Ku, Osaka City
(3)Title and name of authorized representative	Yoshihiro Doi, President and Director
(4)Description of business	general electricity transmission and distribution business, etc
(5)Capital	40,000 million yen
(6)End of accounting period	March 31

7. Future forecast

Influence of the Split on consolidated operating results will be negligible.

Protection Plan for Bonds with a Statutory Preferential Right Contingent to Split

We are scheduled to transfer its general power transmission and distribution business etc. to the Kansai Transmission and Distribution, Inc. on April 1, 2020 in accordance with Split, and accordingly, with respect to its bonds with a statutory preferential right issued before Split, we plan to propose a protection plan for bondholders in which succeeding company (Kansai Transmission and Distribution, Inc.) will issue bonds with a statutory preferential right and we will subscribe for the same, as explained below. We believe that on or after the effective date of Split, the bondholder protection plan will have no material adverse effect on our performance of the liabilities under the bonds.

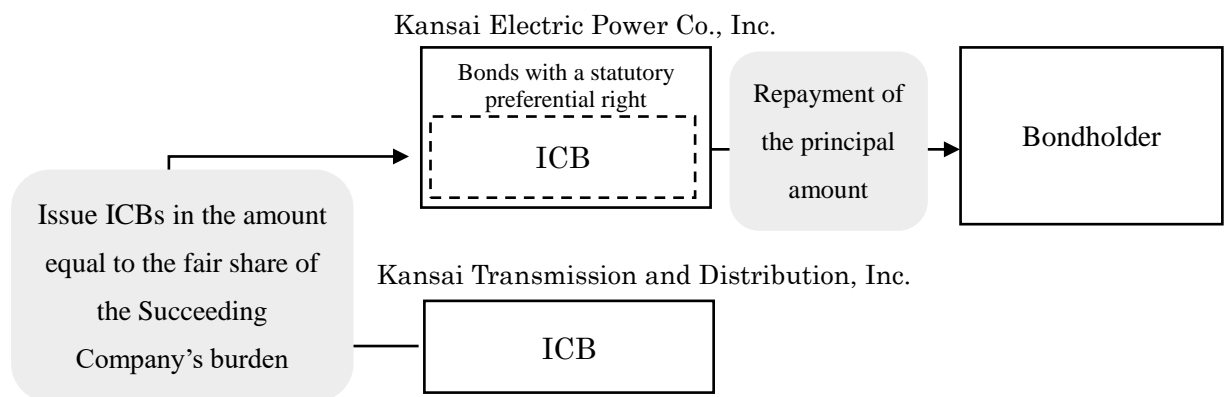
In addition, our bondholder protection plan would require no application/action from bondholders.

1. Our liabilities under the bonds with a statutory preferential right as of the effective date of the Split
We will continue to perform any and all obligations relating to the bonds with a statutory preferential right outstanding as of the day immediately preceding the effective date of the Split [March 31, 2020].

2. Overview of the Bondholder Protection Plan for Bonds with a Statutory Preferential Right Publicly Offered and Issued in Japan (hereinafter referred to as “Japan Public Bonds”)

On the effective date, succeeding company will issue bonds with a statutory preferential right (hereinafter “ICB” (Inter Company Bond)) with the same redemption date and interest rate as those under each Japan Public Bonds outstanding as of the date immediately preceding the effective date (see Annex), in the amount equal to the fair share of succeeding company’s burden, and we will subscribe for the same in full. In regard to repayment of the principal amount and payment of interest under Japan Public Bonds, as the amount equal to the fair share of succeeding company’s burden would be backed by the principal amount and interest of ICBs, we believe that certainty would be maintained with respect to repayment of the principal amount and payment of interest under Japan Public Bonds on or after the effective date of Split.

<Protection Plan for holders of our company Japan Public Bond>



[Others]

In our view, with respect to liabilities other than Japan Public Bonds indicated in 2 above, the certainty of the repayment of the principal amount and payment of interest would also be maintained on or after the effective date of Split, as they would be backed by ICBs issued in the amount equal to the fair share of succeeding company's burden.

<Exhibit>

Our Japan Public Bonds

KEPCO 479 corporate bond (bond with a statutory preferential right)
KEPCO 481 corporate bond (bond with a statutory preferential right)
KEPCO 482 corporate bond (bond with a statutory preferential right)
KEPCO 483 corporate bond (bond with a statutory preferential right)
KEPCO 484 corporate bond (bond with a statutory preferential right)
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Hereafter, public bonds (bonds with a statutory preferential right) that are issued on or prior to the day immediately preceding the effective date of Split (April 1, 2020).