

April 19, 2018

**Notice of Succession (Transfer) of Certain Business Operations  
Associated with Company Split of Consolidated Subsidiary**

Haseko Corporation (the “Company”) announces a resolution made at a meeting of its Board of Directors held today to transfer the services of high-voltage bulk power purchasing and electric power retailing for common areas of condominiums (hereinafter, the “Smart Condominium Business”) provided by Haseko Anesis Corporation, a consolidated subsidiary, to Next Power Company. The transaction will call for the assets and liabilities held by Haseko Anesis Corporation regarding the Smart Condominium Business to be succeeded to Next Power Company by way of company split (absorption-type split).

1. Reason for the Absorption-Type Split

The Haseko Group has worked to expand the services of the Smart Condominium Business by Haseko Anesis Corporation to condominium residents as an effort to secure the number of units covered by the business and enhance the quality of the services. For users of the services to enjoy more convenience in the future, however, the Company has decided to transfer the business to Next Power Company, a fully-owned subsidiary of The Kansai Electric Power Company, Incorporated, one of Japan’s leading companies in the energy field.

2. Summary of the Absorption-Type Split

(1) Schedule of the absorption-type split

1) Date of resolution at the meeting of the Board of Directors:	April 19, 2018
2) Date of execution of the agreement:	April 19, 2018
3) Effective date of the agreement:	July 1, 2018 (planned)

(2) Method of the absorption-type split

An absorption-type split with Haseko Anesis Corporation as the company to be split and Next Power Company as the successor company

(3) Allotment of the absorption-type split

It is planned that Haseko Anesis Corporation will receive monies from Next Power Company as compensation of the absorption-type split.

(4) Handling of share acquisition rights and bonds with share acquisition rights in accordance with the absorption-type split

Not applicable.

(5) Increase or decrease in paid-in capital due to the company split

The absorption-type split causes no increase or decrease in paid-in capital of Haseko Anesis Corporation.

(6) Rights and obligations to be succeeded by the successor company

The successor company will succeed the assets and liabilities associated with the Smart Condominium Business as well as the accompanying rights and obligations as of the effective date of the absorption-type split.

(7) Prospects of fulfilment of obligations

The Company has determined that there should be no problem with the prospect of fulfilment of obligations by the successor company after the absorption-type split is conducted.

### 3. Overview of the Business to be Split

(1) Business to be split

Smart Condominium Business

(2) Operating performance of the business to be split

	Smart Condominium Business results for the fiscal year ended March 2017 (a)	Consolidated operating results for the fiscal year ended March 2017 (b)	Ratio (a/b)
Net sales	6,001 million yen	772,328 million yen	0.78%
Gross profit	503 million yen	142,874 million yen	0.35%

(Note) Operating income and other metrics of the business to be split is not indicated as earnings are not calculated for the relevant business.

(3) Items and amounts of assets and liabilities to the business to be split (as of March 31, 2018)

Total current assets 826 million yen

Total long-term liabilities 7,222 million yen

Total liabilities 8,048 million yen

\*The amounts of assets and liabilities of the business to be split are estimates as of March 31, 2018 and may change by the effective date.

(4) Compensation for the split and payment method

1) Compensation for the split: approximately 22,900 million yen (The specific amount of the compensation shall be determined by the relevant parties after confirming the assets, etc. to be transferred following the date of execution of the absorption-type split agreement.)

2) Payment method: cash settlement

#### 4. Overview of the Relevant Parties of the Absorption-Type Split

##### (1) Company to be split

1) Name:	Haseko Anesis Corporation	
2) Address:	Haseko Shiba 4 Bldg., 6-6 Shiba 4-chome, Minato-ku, Tokyo	
3) Representative:	Shosuke Muratsuka, Representative Director	
4) Subject business:	Smart Condominium Business and insurance service business	
5) Paid-in capital:	2 billion yen	
6) Established:	April 1, 2003	
7) Outstanding shares:	5,000 shares	
8) Accounting period:	End of March	
9) Major shareholder and shareholding ratio:	Haseko Corporation, 100%	
10) Financial conditions and operating results of the immediately preceding fiscal year (fiscal year ended March 2017)	Net assets	18,077 million yen
	Total assets	33,797 million yen
	Net assets per share	361,549.88 yen
	Net sales	10,955 million yen
	Operating income	2,913 million yen
	Ordinary income	2,549 million yen
	Net loss	2,691 million yen
	Net loss per share	53,826.95 yen

##### (2) Successor company

1) Name:	Next Power Company
2) Address:	4F, Sumitomo Fudosan Ningyocho Bldg., 2-1 Nihombashihoridomecho 2-chome, Chuo-ku, Tokyo
3) Representative:	Koji Furusawa, President and Representative Director
4) Subject business:	Bulk electric power purchasing and distribution for apartments Design of electric facilities Construction work and maintenance of electric facilities
5) Paid-in capital:	100 million yen
6) Established:	October 31, 2017
7) Outstanding shares:	1,000 shares
8) Accounting period:	End of March
9) Major shareholder and shareholding ratio:	The Kansai Electric Power Company, Incorporated, 100%
10) Financial conditions and operating results of the immediately preceding fiscal year (fiscal year ended March 2017)	Not calculated as the company was established on October 31, 2017

## 5. Status after the Absorption-Type Split

The absorption-type split shall have no impact on the corporate name, location, title and name of the representative, line of business, paid-in capital and accounting period of either Haseko Anesis Corporation or Next Power Company.

## 6. Future Outlook

With the implementation of the transaction, the Company anticipates to record special income for the current period (the second quarter of the fiscal year ending March 2019). The Company is currently conducting close examination of the impact the transaction will have on the business results of the Haseko Group, including the amount of extraordinary income, and will disclose it as soon as it is finalized.

(Reference)

Forecast consolidated business results of the Company for the fiscal year ended March 2018 (as announced on March 15, 2018) and actual consolidated business results for the fiscal year ended March 2017

(Millions of yen, except per share data)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income attributable to owners of parent per share
Forecast consolidated business results (FY ended March 2018)	¥820,000	¥101,000	¥100,000	¥70,000	¥235.41
Actual consolidated business results (FY ended March 2017)	772,328	89,032	88,827	58,762	195.48