



KDM POWER LIMITED

Company Number: 12118139
16 Great Queen Street, Covent Garden, London,
UK, WC2B 5AH

TAX STRATEGY FOR KDM POWER LIMITED

FINANCIAL YEAR ENDING 31 DECEMBER 2025

31 March 2026

KDM Power Limited, a limited company registered in England and Wales, is 87.5% owned by KPIC Netherlands B.V. which is in turn wholly owned by Kansai Electric Power Co., Inc. Kansai Electric Power Co., Inc is incorporated and tax resident in Japan, headquartered in Osaka.

Kansai Electric Power Group engages in the electric power, heat supply, gas supply and telecommunications businesses primarily in Japan.

KDM Power Limited is an investment vehicle to invest funds into North West Electricity Networks group companies in UK and Jersey.

This strategy applies to KDM Power Limited, and it is regarded that this publication complies with the duty under paragraphs 16 and 19 of Schedule 19 to the Finance Act 2016. In this report, references to “the Company” are to KDM Power Limited, the UK entity.

The Company’s tax strategy and policy comprises four key components:

Compliance and governance

The group is committed to compliance with tax law and practice in the UK. It complies with all statutory obligations and discloses all relevant facts and circumstances to the tax authorities.

The responsibility for the Company’s UK tax strategy and compliance rests with the Board of the Company. The Board’s responsibility to monitor the integrity of the Company’s financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation.

Day-to-day management of the Company’s UK tax affairs is delegated to the executive officers of the Company who is supported by internal and external advisors appropriately qualified. The Chairperson of the Company quarterly reports the accounting policy and results to the President of Kansai Electric Power Co., Inc.

Managing tax risks

The Company actively seeks to identify, evaluate, monitor and manage risks in relation to the interpretation of complex tax law and compliance arrangements to ensure it remains in line with our objectives.

As a component of the overall internal control framework applicable to the Company’s financial reporting system, the Company operates a system of tax risk assessment and control. It seeks to reduce the level of tax risk arising from the Company’s operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.



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Key risks are monitored for business and legislative changes which may impact and changes to processes or controls are made when required. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

In relation to any specific issue or transaction, the Company's Board is responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Attitude towards tax planning and level of risk

The Company's attitude towards tax planning is consistent with the group's Code of Conduct Charter "1. Thorough compliance implementation" set out in the website link "<https://www.kepco.co.jp/english/csr/charter.html>"

When entering into commercial transactions, the Company seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Amongst other factors, the tax laws of the countries in which the Company operates are considered, with a view to maximising value on a sustainable basis for the shareholders and employees.

Any structuring that is and will be undertaken has commercial and economic substance with full regard to the potential impact on the group's reputation and broader goals. The Company will not put in place any arrangements that are contrived or artificial.

The level of risk which the Board accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times the Company seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen.

Working with HM Revenue & Customs

The Company engages with HM Revenue & Customs ("HMRC") with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. It seeks to have a transparent and constructive relationship with HMRC through regular communication in respect of developments in the Company's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

HMRC is and will be informed of significant transactions and changes in the business, seeking to discuss any tax issues arising at an early stage. All relevant facts are disclosed and any transactions or issues with potential for the tax treatment to be uncertain are identified, when submitting tax computations and returns to HMRC. Any inadvertent errors in submissions made to HMRC are and will be fully disclosed as soon as reasonably practicable after they are identified.