

Kansai to participate in electricity Distribution Network Operation in U.K.

July 30, 2019

The Kansai Electric Power Co., Inc.

Kansai Electric Power Co., Inc. (“Kansai”) reached an agreement on July 29, 2019 to acquire shares of group of Electricity North West Limited (“ENWL”) in the UK. This agreement establishes Kansai’s participation in the electricity distribution network operation in the UK.

The acquisition was structured through a Kansai-led consortium and Equitix Ltd (“Equitix”), UK infrastructure investment fund. The investors in the Kansai-led consortium include KPIC Netherlands B.V. ^{*1}, a Kansai subsidiary, as well as Daiwa Energy & Infrastructure Co. Ltd. (“DEI”) and Mitsubishi UFJ Lease & Finance Company limited (“MUL”). The Kansai-led consortium acquired ENWL shares from institutional investors advised by First State Investments and institutional investors advised by J.P. Morgan Asset Management, Kansai has acquired 17.67% of the total shares of ENWL.

ENWL is a distribution network operator which owns, invests in, operates and maintains the network which carries electricity from the national grid to homes and businesses across the North West of England. The company’s headquarters is located in Warrington, England. It serves approximately 5 million customers across 2.4 million premises. ENWL operates from urban Manchester to rural Cumbria with a network of 57,000km of cables and wires.

This agreement is Kansai’s first participation in the electricity distribution network in Europe. This is also the first case for which a Japanese power utility company has invested in a large-scale electricity distribution network operator overseas. As the UK aims to reduce greenhouse gas emissions, the country aims to expand distributed generation units (i.e., technologies that generate electricity at or near where it will be used, such as solar panels and wind turbines), and transform its power sources from gas to electricity. These changes will require massive upgrades to the country’s electricity distribution network. Kansai has extensive expertise in highly reliable electricity distribution networks – from the planning, construction, operation, to maintenance of these systems – as well as in smart grid technologies. In the long-run, Kansai aims to increase the enterprise value and future prospects of ENWL, and to gain strategic know-how to expand Kansai’s domestic business.

The Kansai-ENWL agreement reflects Kansai’s medium-term management plan, which includes investments in overseas power generation, transmission, and distribution systems as one of the company’s important revenues.

*1 KPIC Netherlands is a Kansai’s 100% subsidiary in the Netherlands

Appendix: Overview of the ENWL business in the UK



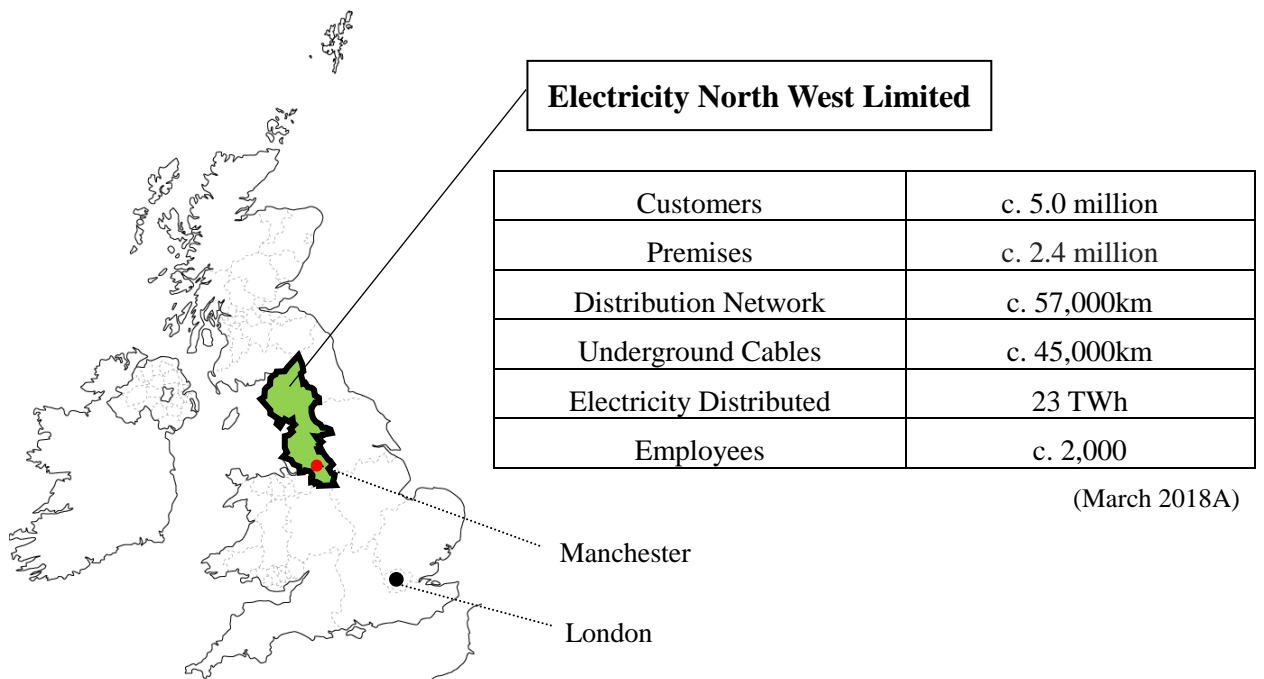
Appendix: Overview of the ENWL business in the UK

【Overview of ENWL】

Company name	Electricity North West Limited	
Headquarters	304 Bridgewater Place, Birchwood Park, Warrington, WA3 6XG	
Common Stock	£238.4 million (as of Mar 2019)	
Total Asset	£3,452 million (as of Mar 2019)	
Sales	£458.3 million (as of Mar 2019)	
Net Profits	£71.8 million (as of Mar 2019)	
Representative	John Roberts (Chairman)	
Shareholder Composition	First State Investment:	25.00%
	JP Morgan Asset Management	25.00%
	Equitix	17.93%
	KDM power	32.07%

【Overview of KDM Power】

Company name	KDM Power Limited	
Headquarters	78 Cannon Street, London EC4N 6AF	
Shareholder Composition	Kansai	55.1%
	DEI	30.0%
	MUL	14.9%



About Kansai Electric Power Co., Inc.

The Kansai Electric Power Company, Incorporated, established in May 1951, engages in the electric power, heat supply, gas supply, and telecommunications businesses primarily in Japan with annual revenues over USD 30 billion at 31 March 2019 and rated A3 by Moody's. Kansai, based in Osaka, is a Japanese leading energy company and is keen to contribute to the stable supply of electric power in other countries through its IPP, electricity transmission and consulting businesses. Today Kansai owns (or is developing) 18 projects in 11 countries with an aggregate net generation capacity of approximately 3 GW.

About First State Investments

First State Investments is an experienced global asset manager with in excess of €127 billion managed on behalf of investors worldwide as at 31 December 2018. First State is a leading manager of infrastructure investments with over €8.0 billion of unlisted infrastructure capital under management, having been actively investing in long life infrastructure businesses since 1994. First State's unlisted infrastructure portfolio includes 21 transport, renewable and utility investments in 13 countries.

About J.P. Morgan Asset Management

J.P. Morgan Asset Management, with assets under management of USD 1.8 trillion (as June 30, 2019), is a global leader in investment management. J.P. Morgan Asset Management's clients include institutions, retail investors and high net worth individuals in every major market throughout the world. J.P. Morgan Asset Management offers global investment management in equities, fixed income, real estate, hedge funds, private equity and liquidity. JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of USD 2.7 trillion (as of 30 June 2019) and operations worldwide. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

About Equitix

Founded in 2007 and headquartered in London, Equitix is a leading infrastructure investment firm that manages over £4.5 billion on behalf of long term investors, including a large proportion of UK pension funds. Equitix manages six core infrastructure flagship funds, 14 co-investment funds which are dedicated to larger infrastructure projects, and a number of segregated managed accounts providing customized solutions. Equitix's investment strategy focuses on core infrastructure projects, predominantly located in the UK and covering a wide range of sectors with a particular focus on social infrastructure, transportation, regulated utilities and renewables. Across all of its core funds, Equitix seeks to hold assets for the life of the fund, which is typically 25 years. Equitix has acquired over 270 core infrastructure projects since our inception, thereby establishing a strong reputation as a trusted partner, operator and fiduciary fund manager.

About Daiwa Energy & Infrastructure Co. Ltd.(DEI)

DEI is a core strategic subsidiary of Daiwa Securities Group Ltd., for exploring further investment opportunities in infrastructure assets, renewable energy and resource. The balance of investment is JPY31 billion (GBP 210 million) at the end of March 2019.

About Mitsubishi UFJ Lease & Finance Company limited (MUL)

MUL is a global leasing company based in Tokyo, Japan, and publicly listed on the Tokyo and Nagoya Stock Exchanges, and a member of Mitsubishi UFJ Financial Group (MUFG), one of the world's largest financial companies. MUL addresses a diverse range of customer needs by expanding upon the functions we offer, from lease finance, corporate finance, service provision, business participation, to business operation. MUL's recent equity investments in the global infrastructure business as a priority industry include a water company and an offshore wind farm in the UK.