

March 16, 2005

Electric Power Development Co., Ltd.
Sumitomo Corporation

Takeover by J-Power and Sumitomo of Philippine CBK Power Plant

First overseas hydropower IPP for both J-Power and Sumitomo

Electric Power Development Co., Ltd. (J-Power) (President: Yoshihiko Nakagaki) has decided to take over the CBK Power Company Ltd. and Kalayaan Power Management Corporation through the Dutch joint-venture that was established on a fifty-to-fifty share with Sumitomo Corporation (Sumitomo, President: Motoyuki Oka).

CBK Power Company is located in Laguna Province in the Republic of the Philippines and owned three power plants of Caliraya, Botocan, Kalayaan with a total output capacity of 728MW. CBK is the collective name of these three power plants. The Kalayaan Power Management Corp. undertakes the operation and management. CBK Power is a Philippine company jointly owned by IMPSA (Argentina) and Edison Mission Energy ("EME," USA), with each partner having a 50% share in CBK's equity. CBK built three power plants, Caliraya (general hydroelectric plant, 22.6MW), Botocan (general hydroelectric plant, 20.8MW) and Kalayaan (pumped-up hydroelectric power plant, 684.6MW) that were commissioned in 2004. The facilities are now in commercial operation and selling their power output to the National Power Corporation of the Philippines. The Kalayaan Power Management Corp. (jointly owned by EME and IMPSA on a fifty-to-fifty basis) undertakes the operation and management of these facilities.

Picture: Kalayaan Pumped-up Hydroelectric Power Plant

IMPSA and EME have both reviewed their strategies for their overseas deployment and considered the selling-off of these companies. J-Power in partnership with Sumitomo has now taken the decision to acquire all rights and interests from the two companies on the grounds that (1) the power plants concerned are currently in steady operation and (2) that

reasonable profits can be expected from the power vending contracts that have a 25 year validity.

The 50% interest held by EME has already been acquired and a remaining held by IMPSA's interest is due to be taken over in the spring of this year. The purchase price for both companies is anticipated to reach a total of around 23 billion yen. Roughly 10 billion yen of this total is scheduled to be covered by a loan from the Japan Bank for International Cooperation etc. This loan will be the first instance in which the Japan Bank for International Cooperation has supported the acquisition of overseas IPP interests by a Japanese company on a project finance basis.

After the total takeover, J-Power and Sumitomo will each appoint two members of its management staff on to the Management Committee which is the supreme decision-making body of the CBK Company . Similarly, J-Power will assign a Chief Executive Officer and an Operation and Maintenance Manager, and Sumitomo a General Affairs Manager to take charge of the management of the power plants. On this manner, the Japanese companies are to take over all management responsibilities.

J-Power has already established a solid record of engagement in the Philippines in the form of providing consultant services to the previously mentioned National Power Corporation for nearly 30 years. The present takeover deal marks the second IPP project for J-Power in the Philippines, following the Leyte Geothermal Power Plant (49MW; equity share 10%) project of 1998. In view of the large size of the deal, the present takeover project will be the second largest in terms of the investment scale by country, after Thailand.

In Asia, Sumitomo has so far been mainly engaged in new IPP development projects and the present deal will be the first IPP acquisition project for the company in Asia. Sumitomo plans to be an active player in large-scale IPP projects in Asia in the future.

Outline of the CBK Power Plants

Name of Power Plant	Caliraya Hydroelectric	Botocan Hydroelectric	Kalayaan Pumped-up Hydroelectric
Location	Runban, Laguna	Majayjay, Laguna	Kalayaan, Laguna
Type	Dam and water channel type (General) PP	Dam and water channel type (General) PP	Dam and water Channeltype (Pumped-up) PP
Output	22.6MW (11.3MW x 2)	20.8MW (10MW x 2, 800kW)	Phase I 336MW (168MW x 2) Phase II 348.6MW (174.3MW x 2)
Commissioning date	Dec. 2002 (Repair)	June 2003 (Repair)	Phase I: March 2002 Phase II: Jan. 2004