

Participation to Power Distribution and Retail Sales Services in New Clark City in the Philippines

The Kansai Electric Power Co., Inc. (“Kansai”), has been granted a concession right of electric power distribution services in New Clark City (“NCC”)*¹ in the Philippines, together with its consortium partners of Marubeni Corporation (“Marubeni”), Chubu Electric Power Co., Inc. (“Chubu”), and the Manila Electric Company (“Meralco”) and decided to participate in such services.

In the Philippines, the Bases Conversion and Development Authority (“BCDA”) is proceeding with a large scale project to develop a new industrial city called New Clark City at the vacant land formerly used as US Air Force Bases. The concession will entitle the consortium to exclusively conduct power distribution and retail sales business in NCC for 25 years, including design, construction, operation, and maintenance of power distribution system utilizing smart grid technologies in line with the city development of NCC.

Kansai will, together with Marubeni group, Chubu, Meralco, and BCDA, establish a joint venture company (“JVC”) in the Philippines to handle this power distribution / retail sales services, and will hold, through subsidiary KPIC Netherlands*², 9 percentage of equity ownership in the JVC. The consortium is now preparing for installation of power distribution system and starting to supply electricity sequentially to the Southeast Asian Games to be held in the area from the end of November this year.

This is Kansai’s very first project to participate in power distribution and retail sales services outside Japan and is the second one in the Philippines following San Roque Hydro Power Project.

Kansai would like to contribute to the development of a new industrial city in the Philippines by fully leveraging such experience and expertise on development, operation, and maintenance of highly reliable distribution system and on smart grid as cultivated in Japan while acquiring know-how, etc. through this services, which will be used for future projects of this kind.

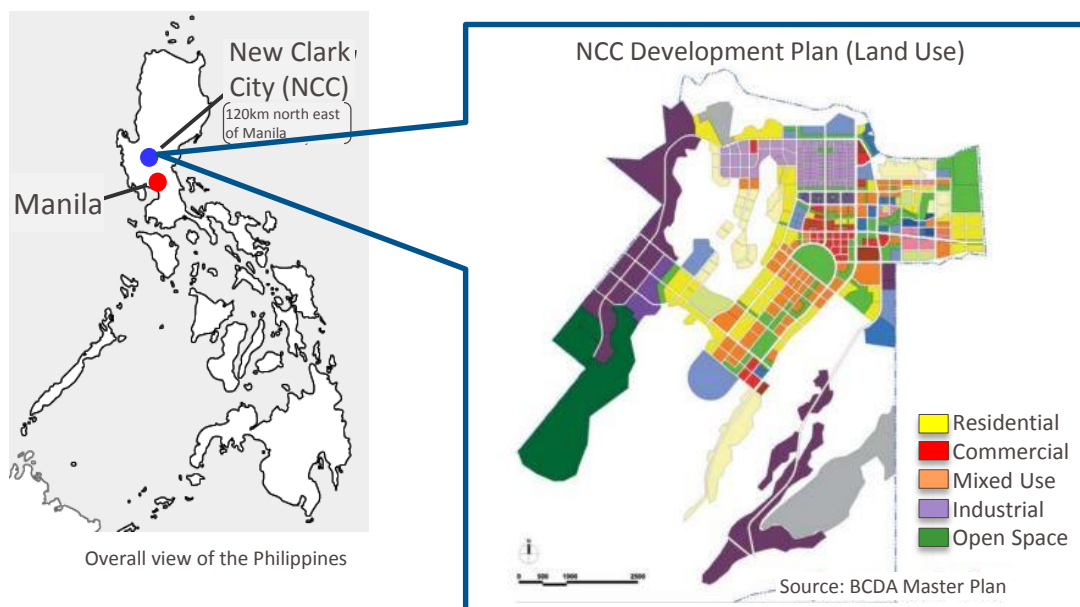
Moreover, as stated in the Medium-Term Management Plan, Kansai will actively seek and pursue more opportunities to participate in overseas projects in such fields as power generation, transmission, and distribution, etc. so that overseas businesses will become important source of revenue for Kansai group.

*1 NCC is a large scale new city which BCDA is planning to develop at the vacant land of former Clark US Air Force Bases (9,450ha). NCC is nominated as one of the national projects, which seeks solution of issues that Manila, capital city of the Philippines, is suffering from, such as traffic jam and high population density, aiming to increase the number of residents to 1.2M and create 0.8M employments by 2065 through relocation of government facilities, construction of highways, etc.

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

Overview of the power distribution and retail sales services in New Clark City

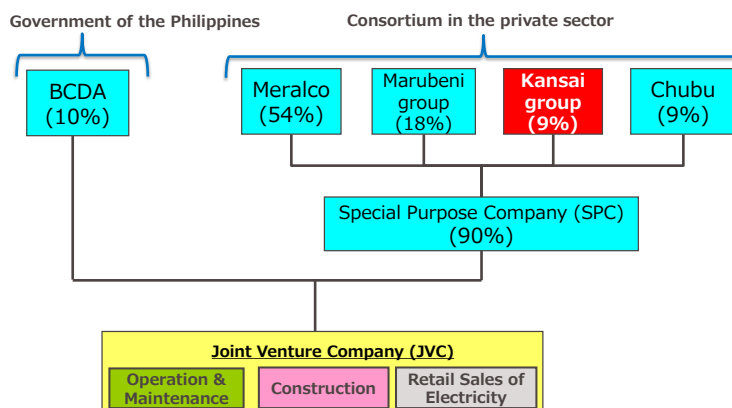
- (1) Country: Republic of the Philippines
- (2) Location: New Clark City
(To develop approximately 3,250ha of the vacant land of former Clark US Air Force Bases (9,450ha) in Capas, Tarlac)



- (3) Business Summary: construction, operation, and maintenance of power distribution system and retail sales of electricity
- (4) Concession Period: 2019 - 2044 (25 years)
(To be extended for another 25 years subject to confirmation of BCDA)
- (5) Demand Estimation: approximately 250MW (in 2044)
- (6) Facilities to be Developed (25 years)
 - 69kV transmission line: approximately 45km
 - Substation (69kV/13.8kV): 4 places
 - 13.8kV underground distribution line: approximately 140km
 - Smart Meters: approximately 30,000 units

(7) Sponsors:

- BCDA: 10%
- MERALCO: 54%
- Marubeni group: 18%
- Kansai group: 9%
- Chubu: 9%



< Summary of the Sponsors >

- ◇The Bases Conversion and Development Authority (BCDA)
Representative: Vivencio B. Dizon, President and CEO
Foundation: March 1992
Headquarters: Taguig, Metro Manila, the Philippines
Business Summary: Redevelopment of vacant lands of US military bases

- ◇The Manila Electric Company (Meralco)
Representative: Oscar S. Reyes, President and CEO
Foundation: March 1903
Headquarters: Pasig, Metro Manila, the Philippines
Business Summary: Power distribution, Retail sales of electricity, Power generation, Engineering of electrical machines, Construction, and Services related to electricity such as consulting, etc.

- ◇Marubeni Corporation (Marubeni)
Representative: Masumi Kakinoki, President and CEO
Foundation: December 1949
Headquarters: Chuo-ku, Tokyo, Japan
Business Summary: Food, Consumer products, Materials, Energy/Metal, Electricity/Plant, Aircraft, Import/Export, Domestic transaction, Various services, capital injection to domestic/overseas projects, resources development, etc.

- ◇The Kansai Electric Power Co., Inc. (Kansai)
Representative: Shigeki Iwane, President and Director
Foundation: May 1951
Headquarters: Kita-ku, Osaka, Japan
Business Summary: electric power, heat supply, telecommunications, gas supply services, etc.

- ◇Chubu Electric Power Co., Inc. (Chubu)
Representative: Satoru Katsuno, President
Foundation: May 1951
Headquarters: Higashi-ku, Nagoya, Japan
Business Summary: electric utility and related enterprises, gas supply and thermal storage brokerage, on-site energy business, overseas consulting and investment, real estate management service, IT business, etc.