

**Summary of Comments Made at a Press Conference
by Tsunehisa Katsumata, FEPC Chairman, on January 20, 2006**

As this is our first press conference of 2006, I would like to take this opportunity to ask Energy Press Club members for their continued support in the coming year.

The new year started with news of discord between Russia and the Ukraine over natural gas. With crude oil prices continuing to remain high, energy security is expected to be a key topic of discussion at the G-8 Summit in St. Petersburg in July. In view of these events, I think that 2006 will be a "Year of Energy", in which we particularly hope to promote the use of nuclear power.

As electric power suppliers, we intend to steadily promote the use and safety of nuclear energy, including the nuclear fuel cycle.

Active testing is slated to begin in February at the Japan Nuclear Fuel Limited Rokkasho Reprocessing Plant, marking a major turning point in the development of the nation's nuclear fuel cycle. With the understanding of community residents and Aomori prefectural authorities — and with safety and quality as prerequisites — we hope this progress will steadily continue.

Plutonium usage plans to be implemented when the Rokkasho MOX Fuel Fabrication Plant begins operating in 2012 — the submission of which was required for active testing approval — were announced by each of the nation's electric power companies on the 6th of this month.

In order to ensure transparency in the peaceful utilization of nuclear power, the FEPC collected and publicly released the usage plans the same day. A hearing was held the following week, on the 10th, at which each electric power supplier presented its plan to the Atomic Energy Commission of Japan. The commission is currently reviewing the plans.

Progress in pluthermal programs has recently been reported in Kyushu, Shikoku, Chugoku, and Chubu, and at Electric Power Development Co., Ltd., and we will continue to actively promote greater understanding of the need for pluthermal program implementation.

At the same time, with the achievement of safety as our primary prerequisite, we want to build our safe operating track record at nuclear power plants.

There is another reason why I refer to 2006 as the "Year of Energy." It is because the Basic Energy Plan is now in its third year, and will be subject to review in the autumn. I hope that thorough discussions on energy can be held this year.

The Basic Energy Plan (October 2003) defines basic policy on energy supply and demand issues, and is based on the Basic Law on Energy Policy enacted in June 2002.

Much has happened in the last three years with respect to domestic and international energy issues, however. Energy demand has risen sharply in China, India, and other Asian markets, and with the global energy supply and demand system itself undergoing rapid change, energy security has become a growing concern. In addition, global environmental issues and progress in liberalizing electric power and natural gas markets have also affected the situation.

We understand that the Basic Energy Plan will be reviewed from an overall perspective that takes into account all of these various factors. The review will address issues such as rising crude oil prices and the increased difficulty of obtaining fuel, while also considering the graying of society and lifestyle changes, and while keeping in mind the achievement of a stable supply, compatibility with the environment, and utilization of market mechanisms that are basic elements of national energy policy.

The Advisory Committee for Natural Resources and Energy will begin discussions next month to prepare for the review, and we want to make the most of this opportunity to actively express our opinions.

Finally, I would like to say that some 650,000 homes experienced power outages as a result of snow and salt damage caused by the record-breaking heavy snowfall and cold wave that hit Niigata Prefecture late last year. Tohoku Electric Power Company has already reported on the causes and measures taken, and I would just like to say a few words about the cooperative efforts of other power companies.

The inter-company mutual cooperation system that was set up in the wake of the 1964 Niigata earthquake has been strengthened and expanded with every successive natural disaster. The system divides the nation into eastern, central, and western regions, and if a disaster occurs, companies in the affected region immediately begin mutual assistance preparations. In order to speed up the restoration of service, these preparations are begun even before an official request for assistance is made.

In the current case, we sought to restore service as quickly as possible by dispatching 203 staff members, including 85 power line maintenance personnel to assist in the removal of salt from power line insulators. In addition, we also provided 58 vehicles, 22 of which were mobile power-generating units. Due to the unusually severe weather conditions, however, it was very difficult for personnel and equipment to reach their destinations. Despite these difficult conditions, I was heartened to see the strong commitment to a stable supply — our DNA as electric power suppliers — that was evident in the eager response of support personnel as they hurried to reach the scene. It also reminded me that in today's increasingly liberalized and competitive marketplace, we need to work even harder to maintain this precious DNA as a proud tradition of the electric power industry.

In any case, an all-out commitment to the speedy restoration of power was exhibited by Tohoku Electric Power Co., Ltd. and other electric power companies, and reaffirms our industry-wide resolve to ensure a stable supply of power in the future.

In closing, I humbly ask for your continued support.