

Summary of Comments Made at a Press Conference  
by Shosuke Mori, FEPC Chairman, on June 11, 2010

This is going to be the last time I meet you at a press conference as the chairman of FEPC. I will then invite Mr. Masataka Shimizu to greet you as the new chairman of FEPC after me.

First, as usual, I will speak on one subject and respond to your questions.

1. Forecast for This Summer's Electricity Supply and Demand

Now I would like to inform you of our forecast for this summer's electricity supply and demand.

According to the three-month forecast announced by the Japan Meteorological Agency, the mean ambient temperature this summer is likely to be high in the eastern and western parts of Japan, as well as in Okinawa and Amami Islands, because of the dominating influence of the Pacific high pressure.

Considering this forecast, historical records and other factors, we estimate the peak demand this summer for all ten companies will be 174.63 million kW.

The planned supply capacity is about 199.75 million kW, which would give a reserve capacity of about 14% or 25 million kW.

However, during the daytime when the ambient temperature exceeds 30°C, a further 1°C rise in temperature will increase the total electricity demand throughout Japan by about 5 million kW, which corresponds roughly to the output from five nuclear power plants. Moreover, we cannot ignore the possibility of unforeseen events such as an unusual heat wave or facility troubles.

As usual, each company is carefully making preparations to ensure stable supply during the summer.

By the way, you have probably noticed my "Cool Biz" look today. It's essential to save energy, particularly in view of global environmental issues.

The CO<sub>2</sub> emissions from the residential sector have increased by more than 30% from the 1990 level. Visualizing those CO<sub>2</sub> emissions is an important strategy in promoting energy saving in the residential sector.

Kansai Electric Power, for example, provides customers with a service program which enables them to check on our website the CO<sub>2</sub> emissions produced by their use of electricity, calculated automatically for each household based on metering data. Other electric power companies offer similar services on their websites, such as help with “the environmental housekeeping book”. I hope you will take the time to learn more about such services.

This is all for my report today. Thank you for listening.

## 2. Speech by Superceded/Superceding Chairman; Change in the FEPC Board of Directors

*Speech by Shosuke Mori, superceded chairman:*

As announced at the press conference in April this year, I will be stepping down as chairman of FEPC on June 29, and will be superseded by Masataka Shimizu, President of Tokyo Electric Power Company.

During my two years as chairman of FEPC, a number of events exposed the electric power industry to various changes of unprecedented speed and scale: the unusually wild fluctuations of crude oil prices, the once-in-a-hundred-years recession of economy and electricity sales, the first major change of Japan’s administration since World War II, and much discussion on policies for creating a low carbon society.

Thanks to support from each electric power company and other stakeholders, I have been able to fulfill my responsibilities in the face of such challenges.

When I attended a press conference as President of Kansai Electric Power Company at the end of May, I compared myself to a relay road race runner trying to complete my stage at the speed of a sprinter. Particularly in the

last half of the stage when I also served as FEPC chairman for the last two years, it was like trying to run uphill. I am relieved to have finished the stage and hand over the baton to the next runner.

While I regret to be leaving many things to be done, I leave them in the capable hands of Mr. Shimizu, the new chairman of FEPC, to complete.

Without doubt, Mr. Shimizu is exceptionally well qualified to lead and unite the electric power industry, which is now facing serious challenges.

I would like to ask you to support Mr. Shimizu as the new FEPC chairman.

In the General Policy Meeting today, we decided as follows about the vice-chairmanship at FEPC: the former position of Mr. Takahashi, President of Tohoku Electric Power Company, will be taken by Mr. Manabe, President of Kyushu Electric Power Company; and the former position of Mr. Morimoto will be taken by Mr. Kimura, Vice President of Tokyo Electric Power Company. I kindly ask for your support for the new vice chairmen at FEPC.

Finally, I would like to thank the media, particularly the members of this press conference group, for their interest during the last two years.

Now I invite Mr. Shimizu to speak as the new chairman of FEPC.

*Speech by Masataka Shimizu, superceding chairman:*

My name is Masataka Shimizu, President of Tokyo Electric Power Company. I sincerely ask for your kind support as I try to fulfill my duties as FEPC chairman.

As Mr. Mori mentioned, I have been elected to take over as FEPC chairman from the end of June. I humbly ask all of you, the media including the members of this press conference, for your continuing assistance.

As Mr. Mori said, he served as FEPC chairman during a most challenging period that has dramatically changed our business environment. He powerfully led the electric power industry with a clear vision and strong leadership.

I would like to thank Mr. Mori for his hard work and achievements as FEPC chairman. I feel a heavy responsibility to be receiving the baton from such an accomplished runner.

The electric power industry today is facing many challenges. Particularly important is the industry's efforts for decarbonation of electricity which should contribute to mitigation of global warming. There are also significant issues such as the nuclear fuel cycle and smart grid technologies. With the help and understanding of each electric power company and other stakeholders, I will do my best to contribute to the growth of the Japanese economy and the development of the electric power industry.

As the new chairman of FEPC, I will need and appreciate your support. Thank you for your attention.