

Summary of Press Conference Comments Made by Makoto Yagi, FEPC Chairman, on December 16, 2011

I am Makoto Yagi, Chairman of FEPC. Thank you for taking the time to be here today.

This is the last press conference for 2011. Today, I would like to look back on 2011 from the electric power industry's perspective.

With regard to the Fukushima Daiichi nuclear accident in March, the electric power companies have implemented all possible safety measures, taking to heart the grave concerns and inconveniences caused by the accident not only to the people of Fukushima Prefecture but to all of Japan, and firmly resolved never to let such an accident occur again.

Also, we, the electric power companies, are deeply sorry that, in the aftermath of the earthquake and damages on facilities, we had to ask customers to go through planned outages and limitations in electricity usage. Furthermore, despite the inconveniences these limitations brought this summer, we must ask customers to again cut back on electricity this winter due to the delays in restarting the operation of nuclear power plants.

We are committed to making every effort to gain the support of the Japanese people, particularly of local residents, on our safety measures so that nuclear power stations can restart operations as soon as possible.

So far, in order to ensure the safety of nuclear power stations, we have taken thorough tangible and intangible safety measures to prevent damage from spreading even if a severe accident should occur.

In addition, the electric power companies are also engaged in stress testing to evaluate the effects of these safety measures in a quantitative manner.

Furthermore, we are also considering the development of a system capable of integrally controlling the operations of machinery and equipment, including robots that can work under highly radioactive circumstances, as well as organizing rescue teams for operating this machinery and equipment.

The efforts I have mentioned so far have also been included in the report, which the government submitted to the IAEA Ministerial Meeting in June, and the power companies will collaborate with the national government and various related organizations to determine how the organization and systems should be set up.

With regard to the review of the energy policy, discussions have begun in the meetings on the

Framework for Nuclear Energy Policy and the Basic Energy Policy Subcommittee set up under the Advisory Committee for Natural Resources and Energy, as already announced earlier this year.

The standpoint of the electric power companies is that, with its significantly low energy self-sufficiency rate, Japan must pursue an optimum combination of energy sources in view of the “3 Es + S” approach — this stands for energy security, economic efficiency and environmental conservation, combined with “S” for safety. To this end, we believe it is essential to steadily promote the utilization of nuclear power along with energy conservation and renewable energies.

Regarding renewable energies, the feed-in tariff program was established in August, marking a big step forward for the Japanese government toward the expanded use of such energies.

With its implementation scheduled for July 2012, we ask the government to take full responsibility in explaining the objectives and details of the feed-in tariff system in order to gain the consent of the customers who will bear its costs.

We are committed to active cooperation within this system to improve the self-sufficiency rate of Japan and to combat global warming, and also to expand the ratio of mega-solar, biomass and geothermal power generation among facilities we operate.

Regarding energy conservation, as mentioned last month, I think that visualizing the state of electricity consumption through information tools such as “electricity forecast” will be the key.

We are also making steady efforts with work on smart meters, and issues such as transmission technology and standardization of interfaces need to be addressed.

Lastly, 2011 was a year of various natural disasters, including not only the Great East Japan Earthquake in March, but also a series of concentrated downpours and typhoons.

Under these circumstances, electric power company employees worked round-the-clock in the wake of these disasters with a determination to light up the evacuation centers of the affected people as soon as possible. These workers put forth their utmost efforts for recovery even when power stations and transformer stations were inundated and many utility poles were destroyed. I was heartened and encouraged by the strong sense of duty of each employee.

When I assumed the post as Chairman of FEPC in April this year, I said that “my mission as chairman is to harness the full force of the electric power industry to resolve this critical situation, and to ensure the safety of our nuclear power plants, thus making progress toward addressing the concerns of Japanese citizens. Fighting difficulties head-on to provide customers with electricity is the mission that electric power company employees inherited from their predecessors, and I believe

that this sense of mission is what will continue to support the electric power industry in the future.

2012 will be an extremely important year in which the direction of Japan's energy policy will be determined. We are committed to making an industry-wide effort to gain the trust of the public, always keeping in mind our essential mission of providing high-quality and inexpensive electricity in a stable manner under any circumstances.

To all members of the press club for energy-related issues, and to other representatives of the mass media, I sincerely thank you for your support this year, and ask for your continued support next year.

That is all for today. Thank you for your kind attention.