

Summary of Press Conference Comments Made by Makoto Yagi, FEPC Chairman, on September 13, 2013

First, I would like to say a few words on the rise in electricity tariffs. Starting from September 1, Hokkaido, Tohoku and Shikoku Electric Power Companies raised their electricity tariffs with the approval of the Minister of Economy, Trade and Industry on August 6. With these raises, six electric power companies have raised their tariffs since the Great East Japan Earthquake. We deeply apologize for the heavy burden caused by these raises on the daily lives of our customers and on industry. We will continue to make every effort to improve the efficiency of our businesses, and ask for the understanding of our customers.

Today, I would like to comment on the following two topics: the supply and demand for electricity of the 10 electric power companies for this summer and the response to the water contamination at the Fukushima Daiichi Nuclear Power Station.

1. Supply and demand for electricity for this summer

First, I would like to comment on the supply and demand for electricity for this summer. This summer, the power companies are again asking our customers in all regions except Okinawa to help save electricity. I apologize to our customers for the inconvenience caused, and express my heartfelt gratitude for everyone's cooperation.

Please look at the chart at the top left corner of page 1 of the document. The national average highest temperature was 31.7 degrees Celsius for July and 33.5 degrees Celsius for August, nearly the same as in 2010 when record heat was experienced. Particularly, western Japan experienced the hottest summer on record.

Consequently, the combined peak demand for the 10 companies reached a record 159.07 million kW on August 9. This is 3.12 million kW or 2% higher than last summer. The supply capacity at the time of the combined peak demand was 173.68 million kW, and the usage rate was 92%. By region, the 6 companies in central and western Japan faced peak demand on August 22, when the usage rate reached as high as 95%. Although the supply-demand situation was very tight due to the increase in demand associated with the hot summer and the troubles in thermal power stations, the power companies managed to just maintain a stable supply by exchanging power with each other.

The bottom right chart shows the trend of peak electricity compensated by temperature. While this summer was the hottest since the earthquake, the demand for electricity was about 10% lower than 2010, thanks to everyone's enormous cooperation in saving electricity.

Regarding the measures for securing supply capacity, please look at the section starting at the middle of the left column on page 2. As the prospects for restarting the nuclear power stations have remained unclear since the earthquake, each power company has been securing as much additional supply capacity as possible by adjusting and extending the interval between periodic inspections of thermal power plants, restarting the plants that were hit by the earthquake and tsunami, accelerating construction and expansion of the plants, and restarting those plants that had been shut down for long periods due to aging. Further, various efforts were made to maintain stable operation, such as detecting early signs of trouble by increasing the number of plant patrols, and repairing minor troubles during nighttime and on non-work days when demand for electricity is low.

However, it is difficult to eliminate troubles completely, and there have been quite a few instances of unplanned outages and output restrictions at the thermal power stations this summer. Further, if the power companies must continue to operate under emergency plans such as adjusting the interval of periodic inspections and using aged thermal plants, it will be necessary to repair plants during peak demand more often, which increases the risk of failure even if utmost efforts are made to ensure safety.

The electric power companies will continue to make utmost efforts on both the supply and demand sides, preparing for the risk of fluctuation due to an increase in demand during scorching summers and severe winters, and facility troubles. However, to maintain a stable, constant supply of electricity, nuclear power is essential to provide base load power.

Response to the water contamination at the Fukushima Daiichi Nuclear Power Station

Next, I would like to report on the water contamination issue at the Fukushima Daiichi Nuclear Power Station.

The water contamination has caused concern among the general public, particularly the local residents, and even in other countries. We fully appreciate the seriousness of this issue.

The Tokyo Electric Power Company is currently making utmost efforts amid tough conditions to halt the contamination. We have high expectations for future developments as the government has pledged to play a greater role in tackling this issue.

Accordingly, the electric power companies confirmed at the general policy committee meeting today that the entire electricity industry will tackle this issue.

Specifically, we will respond to Tokyo Electric's request to dispatch radiation control personnel and provide materials and equipment such as radiation counters to the site. Further, this issue will be

handled by the Special Project for Water Contamination Response of the Fukushima Support Headquarters established within the FEPC, which will draw up specific measures for support and consider further responses, taking into account the developments in the situation and the plans of Tokyo Electric.