Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC Chairman on July 14, 2023

I am Kazuhiro Ikebe, Chairman of the Federation of Electric Power Companies (FEPC).

Before today's announcement, I'd like to offer my heartfelt condolences to those who were affected by the heavy rain and the disaster it wrought. Some customers still do not have access to electricity. The electric utilities, its associated companies, and our contractors will all be working hard to recover power in those areas.

Today, I'd like to talk about two topics: 1) the Green Transformation (GX) Implementation Council held on June 27 and 2) the importance of the nuclear fuel cycle and backend processes.

<June 27 GX Implementation Council>

First, I will talk about the GX Implementation Council.

The 6th GX Implementation Council was held on June 27. Following the approval of the Basic Policy to Realize GX and the passing of two related laws, the Council concluded that the government will develop an GX Promotion Strategy by the end of July and advance it to the implementation stage, implement investment promotion measures to realize GX, issue GX economic transition bonds to expand the scope of transition finance, and to flesh out the strategy to roll out these measures to Asia and across the world.

As competition for GX investment pick up speed, we understand that establishing and implementing a GX promotion strategy quickly will play a very important role in realizing carbon neutrality by 2050, increasing industrial competitiveness as well as economic growth.

To realize GX while continuing to provide a stable supply of energy, the ways in which GX economic transition bonds—20 trillion yen's worth will be issued in the

ten years starting from FY2023—will be key. The funds raised from these bonds need to be used to balance the construction of a stable and affordable energy supply structure that will serve as the foundation of increasing industrial competitiveness and economic growth, with steady reductions in CO2 emissions. Investments could be made in R&D for and in the deployment of renewable energy, innovative reactors, and other decarbonized power sources as well as hydrogen, ammonia, and CCS, and the deployment of heat pumps that use atmospheric heat, a renewable energy. We hope to see support that will encourage further investment by private and public sectors.

At this Council, Prime Minister Fumio Kishida pledged to “consider supporting [the areas of renewable energy, hydrogen, storage batteries, and next-generational innovative reactors] at a level and standard on par with the rest of the world, unbound by existing practices, on both the tax and budget fronts, to reduce the risks of upfront investments.” We are very grateful that the government is considering providing support in these areas where developing a business environment to increase predictability is critical.

As the government fleshes out the details of the system, as a party that will be implementing GX, we electric utilities are committed to doing our own part.

<Importance of the nuclear fuel cycle and backend processes>

Next, I will talk about the importance of nuclear fuel cycle and backend processes.

With the progress made around GX, Japan has taken a step forward in realizing decarbonization, the stable supply of energy, and economic growth all at the same time. In this environment, the government has also indicated its intent to promote the maximal deployment of renewable energy and maximal use of safe nuclear power. But to use nuclear power in the long term like this, steady progress needs to be made in establishing the nuclear fuel cycle and backend processes.

On the nuclear fuel cycle front, we are diligently responding to the regulatory review in an effort to see through the completion of the Reprocessing Plant at Rokkasho-mura. On July 6, IAEA Director General Rafael Mariano Grossi visited the plant. President Masuda of JNFL and I gave him a tour of the Reprocessing Plant, MOX Fuel Fabrication Plant and uranium enrichment plant, and discussed various issues. Through that experience, I felt the importance of fulfilling our role in ensuring nuclear security and implementing safeguards by cooperating the IAEA inspections while ensuring JNFL safely manages nuclear materials. The visit reinforced my view that, in addition to ensuring that the facilities are completed and operated stably, establishing a nuclear fuel cycle while obtaining the objective and expert verification of international agencies such as the IAEA, is critical for resource-poor Japan to secure a stable supply of energy. We wish for JNFL to continue to do their best in responding to the design and construction approval review and in the safety measures work for the completion of the Rokkasho Reprocessing Plant which will be the crux of this effort. We as nuclear operators will come together as an industry to continue to support JNFL by putting our best on the case.

At the final disposal stage of the backend processes, a government committee is currently developing its approach to assessing locations as part of the literature survey of Suttsu-cho and Kamoenai-mura, Hokkaido. At Tsushima-shi, Nagasaki, multiple petitions for a literature survey have been submitted to the local assembly. We are grateful that multiple municipalities are showing an interest in the final disposal business. The government has committed to standing at the forefront and taking responsibility for promoting this effort. We as nuclear power operators, as a party with a fundamental responsibility as a generator of high level waste, will continue to cooperate with the government and NUMO working to foster understanding to advance the selection and development of disposal sites, while talking to the people in communities, to interest as many people as possible in the final disposal business.

This concludes my remarks for today.

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