

**Summary of Comments Made at a Press Conference
by Tsunehisa Katsumata, FEPC Chairman, on May 19, 2006**

There are three topics that I would like to comment on today. The first is voluntary electric power industry initiatives being made to address revised guidelines on the earthquake resistance of nuclear reactor facilities. The second is the Asia-Pacific Partnership on Clean Development and Climate. The third is our participation in the Team Minus 6% program.

First, let me comment on voluntary measures the electric power industry will be implementing to address the recently proposed plan to revise guidelines on the earthquake resistance of nuclear reactor facilities.

After a period for public comment, the Nuclear Safety Commission of Japan will officially revise the standards to reflect the public comments received.

The aim of the revisions is to further increase the trustworthiness of guidelines on the earthquake resistance of nuclear reactor facilities in the light of recent information. The new revised guidelines will then be applied when assessing the safety of newly constructed plants.

With respect to existing nuclear power plants, we have until now designed such plants with a sufficient margin of earthquake resistance, and have assessed earthquake-resistance safety in the light of appropriate recent information. When the current guidelines are revised, we will of course reassess earthquake-resistance safety in light of the new guidelines.

It must be noted, however, that assessment of earthquake-resistance safety will require geological surveys and other measures that are expected to take considerable time to complete. As such, we plan to have each electric power supplier undertake voluntary measures to ensure an improved margin of earthquake-resistance safety in advance of the new guidelines' implementation.

I would now like to turn to the subject of the Asia Pacific Partnership for Clean Development and Climate (APP) task force meeting that was held on April 19 through 21 in Berkeley, California.

The APP is an international partnership established last July at the proposal of the United States. The partnership includes Japan, the United States, China, India, Korea, and Australia. Through close cooperation between the partners, it aims to develop responses to rapidly increasing energy demand, and address issues such as energy safety, and climate change.

At the APP ministerial meeting held in Sydney, Australia, this past January, Minister of the Environment Yuriko Koike, Senior Vice Minister of Economy, Trade and Industry Akira Nishino, and senior management personnel from the electric power industry and other major industries agreed to cooperate in bottom-up activities in eight areas.

The latest meeting brought together the parties responsible for executing this agreement. At the meeting, task forces were created for each of the eight areas, and the primary topics and themes to be addressed were identified. In addition, an agreement was reached to develop specific action plans for each area by this coming August.

In the case of electric power, participants included representatives of concerned government agencies and managerial class representatives responsible for engineering, the environment, and technology development from the China Huaneng Group, National Thermal Power Corporation of India, American Electric Power and Edison Electric Institute of the United States, CS Energy of Australia, Korea Electric Power Corporation, and our own Federation of Electric Power Companies.

Japanese electric power industry representatives are members of both the Power Generation and Transmission Task Force and the Cleaner Fossil Energy Task Force. In the case of the Power Generation and Transmission Task Force, in addition to sharing information and fostering human resources development, task force members agreed to prioritize our suggestion to conduct mutual evaluations – so-called peer reviews – of efforts to increase coal-fired thermal generating efficiency.

In developing nations, coal-fired thermal generating plants generally account for a relatively large percentage of the total electricity generated. In addition, it is my understanding that appropriate operating procedures and maintenance are not

always carried out, and that in many cases thermal efficiency is lower than it might be. We anticipate that through peer reviews, it will be possible in the future for developed nations to provide appropriate advice that will lead to improvement and optimization of operating and maintenance procedures. As an example, if thermal efficiency is improved by just 1% in both India and China, the reduction in CO2 emissions will total some 50 million tons – an amount that is equivalent to approximately 14% of the Japanese electric power industry's CO2 output.

At the International Electricity Summit that was held in Sapporo last October, and which was attended by industry representatives from Japan, the United States, and Europe, a joint communiqué was issued stating that the problem of global warming must be addressed on a long-term global basis, as well as on an overall economic basis, to assure the development of both environmental and economic solutions. Working in parallel with this within the context of the APP, which includes both Japan and the United States, we will proactively seek to effectively reduce global CO2 emissions.

In Tokyo from May 29 through 31, the first Japan-China Energy Conservation Forum will be held. At the forum, the FEPC will be given the opportunity to speak on the subject of electric power industry energy-saving and environmental efforts. By doing so, it is our sincere hope that we will be able to contribute in some small way to construction and expansion of an energy-saving society.

In conclusion, I would like to report on the efforts we have made in the Team Minus 6% campaign against global warming that was initiated last year.

The Federation of Electric Power Companies supports the aims of Team Minus 6%, and has been participating in the campaign since last year.

As we did last year, we will be curbing air conditioner use from June 1 through September 30 at offices and other facilities. (Air conditioning temperatures are scheduled to be regulated in the Keidanren Building beginning June 1.) In order to conduct business efficiently in this environment, all personnel are being encouraged to wear lightweight summer attire. (In consideration of time, place, occasion, and employee health, lightweight attire is not mandatory.) While doing our best not to make you or our other guests uncomfortable, we intend to do our utmost to conserve energy and reduce CO2 emissions.

Each electric power company will also aggressively implement measures in a manner that is appropriate to the climate and conditions prevailing in its area. In the case of Tokyo Electric Power Company, the measures and period of implementation will correspond to those of the FEPC.