

**Summary of Comments Made at a Press Conference
by Tsunehisa Katsumata, FEPC Chairman, on February 23, 2007**

Before I make my usual report today, I would like to express my apologies as chairman of the FEPC, and as president of Tokyo Electric Power Co., Ltd. (TEPCO), for the additional instances of data falsification that have come to light.

As has already been announced, each of the electric power companies is continuing to check for instances of data falsification and procedural deficiency relating to generation facilities. Since last month's press conference, additional instances of such falsification and deficiency have been made public at Tokyo Electric Power Co., Ltd., Kansai Electric Power Co., Ltd., and Hokkaido Electric Power Co., Ltd.

Although they took place in the past, these dishonest actions and instances of falsification are extremely regrettable, and I would like to again apologize deeply to local residents and the general public for their occurrence.

Although the safety of the facilities was never at risk, we will continue to make every effort to investigate the circumstances and causes involved, and will implement countermeasures to ensure there is no reoccurrence.

Each of the electric power companies is currently conducting a thoroughgoing investigation, and will report its findings by the end of March.

I would now like to report on today's two topics, which are a feasibility study for the introduction of nuclear power generation in Vietnam, and the trilateral International Electricity Summit in Spain next month.

First, it seems increasingly likely that the Vietnamese government will conduct a feasibility study for the introduction of nuclear power generation in Vietnam. With the Japan Atomic Power Company in the lead, we have decided to cooperate on an industry-wide basis in an effort to secure the contract.

On the back of strong economic growth, electricity demand in Vietnam is growing at an average rate of more than 10% a year. But due to problems at thermal generating plants and a shortage of water at hydro plants, the country

faces a critical shortage of electricity, and is looking to nuclear power as a way to ensure a stable supply.

Ever since the Japan-Vietnam Cooperative Liaison Committee was established in 2000 by the Japan Atomic Industrial Forum, the Japanese electric power industry has actively supported the introduction of nuclear power generation in Vietnam.

In 2001, the Vietnamese Ministry of Industry issued a request for support in a pre-feasibility study, and with the Japan Plant Association acting as liaison, the Japan Atomic Industrial Forum, electric power companies, and manufacturers all cooperated in preparing a report.

In January of last year, the Prime Minister of Vietnam approved a long-term national nuclear strategy that aims to have a nuclear power plant on line by the year 2020. In addition, the results of the pre-feasibility study that Japan participated in were approved by the Vice Prime Minister and are waiting for approval by the Prime Minister, making it highly likely that a complete feasibility study will be undertaken in the early part of this year.

Specifics of how to proceed are no doubt being discussed by the Vietnamese government, but it appears that business groups in both South Korea and France have also begun major sales initiatives aimed at securing the contract. Our nation's government, in line with the "Nuclear Energy National Plan" and a desire to strengthen nuclear industry's technological and human resources, has committed to support the international activities of Japan's nuclear industry, and views the project in Vietnam as a key opportunity.

In view of these various factors, nine FEPC member companies have agreed to work closely with government and concerned agencies, and led by Japan Atomic Power Company, we will endeavor to secure the contract with an all-Japan team.

I would now like to speak briefly about the International Electricity Summit to be held in Seville, Spain on the 8th of next month.

The meeting, attended by the Federation of Electric Power Companies of Japan, the Union of the Electricity Industry (EURELECTRIC) of Europe, and Edison

Electric Institute (EEI) of the United States, allows executive management personnel from each organization to discuss country-specific conditions and shared issues on a broad front.

This will be the ninth such summit (inaugural summit: 1993, Washington, D.C.; most recent summit: 2005, Sapporo, Japan). Forty participants are expected, and in view of the recent severe energy situation, and the fact that global warming is to be taken up at this year's G8 Summit, our discussion topic this year is: "Ensuring Energy Security and Electricity Supply in a Carbon-Constrained World."

The international energy situation is changing substantially, and electricity is playing an increasingly important role in assuring energy security and combating global warming.

As a result, this meeting at which executive management personnel from Japan, the U.S., and Europe conduct wide-ranging discussions on shared issues, is also growing in importance every year.

With regard to global warming, although the United States has not participated in the Kyoto Protocol and has seemed somewhat reticent in the past, recent calls to address the problem more positively have been made by both the official and the private sectors.

And with regard to the development of nuclear power, although both Europe and the U.S. have approached the issue very cautiously in the past, there are signs that this stance is changing.

Finally, with regard to electricity market liberalization, differences in the respective positions of Japan, the U.S., and Europe are becoming more prominent. While Japan strives to balance the needs of energy security and the environment, and the pace of liberalization has slowed in the U.S. , Europe continues to actively promote liberalization as a part of its drive to develop a single unified market. And while we may differ in these areas, we all need to find ways to maintain long-term power supply stability and reliability in a deregulated market environment, and to appropriately construct and maintain supply infrastructure. So there are also many issues that we share in common.

As it will be held at a time when great changes are afoot in our respective countries and regions, I look forward to an active and fruitful exchange of opinions at the meeting.