

**Summary of Comments Made at a Press Conference by Yoshihisa
Morimoto, FEPC Chairman, on March 14, 2008**

Good day, I'm Yoshihisa Morimoto, vice-chairman of the Federation of Electric Power Companies. I will be standing in today for Chairman Katsumata, who is unable to attend.

The first topic I would like to comment on is the "Cool Earth — Innovative Energy Technology Program" and on efforts being made to support the increased use of electric vehicles.

Last week, on March 5, a meeting of experts and opinion leaders was held to discuss the Cool Earth — Innovative Energy Technology Program. Operating under the auspices of the Minister of Economy, Trade and Industry, the panel identified 21 innovative technologies that will be required to achieve a 50% reduction in greenhouse gas emissions by 2050.

We believe that, from a supply and demand standpoint, it is essential that we develop innovative technologies and cooperate at an international level to achieve long-term reductions in greenhouse gas emissions on a global scale.

The 21 innovative technologies include six technologies relating to electricity generation and transmission, including high-efficiency thermal generation, advanced nuclear power generation, and high-efficiency superconducting power transmission. They also include 12 technologies relating to transportation and energy demand, including ultra high-efficiency heat pumps, electric vehicles, and plug-in hybrid vehicles.

I would therefore like to take the time today to introduce some of the technology development efforts being made by each of the electric power companies to promote the use of electric vehicles.

Although electric vehicles offer high energy efficiency, produce significantly less CO₂ than gasoline-powered vehicles, and have numerous other advantages, issues such as battery cost, cruising range, and a lack of recharging facilities have remained problematic.

Nonetheless, recent dramatic improvements in lithium-ion battery performance have made rapid, long-lasting recharges possible, and the inclusion of onboard charging devices enables vehicles to be recharged from a standard household

outlet just like a mobile phone.

For the record, the current generation of electric vehicles has a range of about 80km after an 8-hour charge, and of about 40km after a 5-minute charge.

In an effort to bring about the widespread use of these electric vehicles, electric power companies are working with manufacturers such as Mitsubishi Motors and Fuji Heavy Industries Ltd. to aggressively test such vehicles and develop new types of quick-charging devices.

For example, Tokyo Electric Power Company (TEPCO) has allocated approximately 50 electric vehicles produced by Fuji Heavy Industries Ltd. and Mitsubishi Motors to research facilities and branch offices, where they are being used for day-to-day tasks and evaluated to assess their commercial viability.

In cooperation with the parking facility operator Park 24, TEPCO has also installed recharging outlets at eight metered parking lots in Tokyo and Kanagawa prefecture, and is studying infrastructure-related issues such as the effect of at-destination recharging on operating efficiency.

Kyushu Electric Power Company, Chugoku Electric Power Company, and other electric power companies are also testing electric vehicles and battery endurance.

At the meeting of experts and opinion leaders the other day, calculations were shown indicating that an electric car emits only one quarter of the CO₂ emitted by a gasoline-powered car.

According to figures released by the Electric Vehicle Promotion Center, of the 75.68 million registered vehicles in Japan as of fiscal 2006, only 500 were electric vehicles.

Since transportation accounts for approximately 20% of the nation's CO₂ emissions, we believe that if electric vehicle use increases in the future, it can help reduce CO₂ emissions significantly.

We will continue to strive to the utmost to achieve the aims of our voluntary action plan, and will proactively engage in innovative technology development to meet the challenges of the future.

I would now like to report on electricity demand during the past winter.

The winter's peak demand was recorded on February 13, and totaled 159.1 million kW across the 10 companies, an increase of 7.5% over last winter's figures. In fact, the winter peak demand record was renewed four times during the season.

Looking at the companies individually, seven companies (Tohoku, Tokyo, Chubu, Hokuriku, Chugoku, Shikoku and Kyushu) recorded new highs in winter peak demand, and Hokkaido recorded a new high in annual peak demand.

Maximum daily consumption across the 10 companies also reached its zenith on February 13, totaling 3.28945 billion kWh, an increase of 6.4% over last winter's figures. In fact, the maximum daily consumption record was renewed six times during the season.

Individually, six companies (Tokyo, Chubu, Kansai, Chugoku, Shikoku and Kyushu) recorded new highs in winter total daily sales, and three companies (Hokkaido, Tohoku and Hokuriku) recorded new highs in annual total daily sales.

Heating demand caused by low temperatures was the primary engine of seasonal demand.

From mid-January onward, there were many days when the daily temperature was below average. And the coldest day of the winter was February 13, the same day that peak demand reached its maximum.

In addition to the effects of these low temperatures, we believe the significant rise in oil prices and other factors added impetus to the shift to electric heating, and led to reduced self-generation.

October 2007 to January 2008 sales figures for kerosene stoves and heating/cooling air conditioners were also indicative of this trend, with sales of kerosene stoves falling approximately 28% from the previous year's levels, and sales of air conditioners rising by approximately 10%.

The February Electricity Generated and Purchased Bulletin was released today, and showed a total of 88.5 billion kWh, a record for February that also represents an increase of 13.1% over the same month last year.

Member companies will work closely with one another to ensure they are prepared to maintain a stable supply during the summer.