

**Summary of Comments Made at a Press Conference by Shosuke Mori,
FEPC Chairman, on February 20, 2009**

Today I would like to speak on three topics: (1) the electric power industry's opinion about the mid-term goal for the reduction of GHG emissions; (2) economic trends and their relation to electricity demand in January; and (3) renewal of the nuclear power exhibition space at the Science Museum.

1. Electric Power Industry's Opinion about the Mid-Term Goal for the Reduction of GHG Emissions

At the World Economic Forum's annual meeting in Davos at the end of last month, Prime Minister Aso said that Japan would announce by June the country's mid-term goal for the reduction of GHG emissions. The mid-term goal mentioned by him is presently being discussed by the Panel on Global Warming Issues conferred by the Prime Minister.

A committee that was set up under the Global Warming Discussion Panel to discuss the mid-term goal met yesterday to examine the various options on the basis of economic models.

A representative from us, the electric power industry of Japan, presented our opinion about the mid-term goal.

Firstly, we stated that it is essential to simultaneously achieve a stable supply of energy, environmental preservation and economy for creating a low carbon society.

Then we explained that the electric power industry of Japan would make utmost efforts from both supply and demand sides to increase the share of non-fossil power in which nuclear power takes the lead to 50% by FY2020.

However, our major concern about ongoing discussions on Japan's mid-term goal is that a few analytical models from research institutions include a scenario in which electricity demand falls dramatically.

Even though the Continuous Efforts Case in the Long-Term Energy Supply and Demand Outlook assumes an electricity demand that is generally in line with our

supply and demand outlook in the Long-term Electric Power Facilities Development Plan, the Maximum Introduction Case in the Outlook and a model from the National Institute for Environmental Studies both assume that electricity demand will fall substantially.

The electric power companies of Japan aim to ensure the stability and economy of power supply from a long-term perspective. We therefore pursue long-term projects based on a long-term supply and demand outlook, taking 10 to 20 years for communicating with host communities, negotiating for siting, and finally building plants and other facilities.

It goes without saying that to attain a low carbon society, it is crucial to save energy. Nevertheless, if the government chooses a scenario that presumes an extremely low demand without sufficient technological and economical ground, then the country may be risking electricity shortages.

When negotiating with other countries about Japan's mid-term goal for the reduction of GHG emissions, the government should also ensure a fair balance with responsibilities accepted by other countries.

Japan's acceptance of an unreasonably demanding goal will place an excessive burden on its people by overly restricting emissions. This may lead to consequences such as large outflows of money to overseas by emission trading, a decrease in international competitiveness, the relocation of manufacturing facilities to overseas, loss of employment, and financial deterioration.

We expect the government to fully consider these points, and to make a sound judgment with emphasis on feasibility.

2. Economic Trends and Their Relation to Electricity Demand in January

As we compiled today a short report on the electricity demand in January, I would like to comment briefly on the economic trends and their relation to electricity demand.

The index of industrial production for December, announced on February 16, was down 9.8% (confirmed) from the previous month, the biggest fall ever.

Moreover, with the Monthly Economic Report on February 19, the forecast on the basic economic trend was adjusted downward for the fifth consecutive month. And we are forced to admit that the economic situation is worsening even further.

The situation is the same with the electricity supply. The electricity supply in January by the ten electric power companies of Japan fell by 6.2% from the same month of the previous year, the fourth consecutive month of such a fall. The demand from large industrial customers (total across the ten electric power companies), which is highly sensitive to economic trends, fell by 18.7% from the same month of the previous year. This fall was worse than the 13.0% fall reported for December last year, which was already the largest fall in history. A fall was recorded in all sectors, topped by a fall in the steel industry sector, which had just recorded its worst-ever fall in December last year.

Judging from the demand for electricity, there is no glimmer of hope in the economic trend. We will continue to observe the situation carefully.

3. Renewal of the Nuclear Power Exhibition Space at the Science Museum

Finally, I would like to announce that, at the Science Museum in Kitanomaru, Tokyo, the renewal of the nuclear power exhibition space is almost complete, ready for its opening in March.

The new exhibition space, called the “Atomic Station GEO LAB”, focuses on the nuclear fuel cycle and the geological disposal of high-level radioactive waste. Particularly impressive will be the space on geological disposal, where visitors will have a virtual experience of visiting a deep underground disposal facility. While enjoying a demonstration at this specially designed audio-visual theater, visitors will learn about the principles and safety of geological disposal.

The new facility will open on March 24, which falls during the spring vacation for students. You are also invited to pay a visit.

This is all for today. Thank you for your kind attention.