

Summary of Press Conference Comments Made by FEPC Chairman, on December 17, 2010

Today I would like to express the electric power industry's opinions on the revision of the Framework for Nuclear Energy Policy.

1. Electric Power Industry's Policies on the Revision of the Framework for Nuclear Energy Policy

As the Framework for Nuclear Energy Policy of Japan is going to be revised after five years since the last revision,, the first meeting of the council for revising the Framework is going to be held on December 21.

Since I was nominated as a member of the council, I would like to explain today the views of the electric power industry on the revision of the framework.

First, it is crucial to continue making progress toward simultaneously achieving the three E's of energy security, environmental conservation and economy through the use of nuclear power as a key energy. This core policy remains the same across generations, regardless of the changing situation.

For nuclear power to continue to function securely and effectively, we must actively implement strategies in response to the evolving situation since the current revision was drawn up. There are three key commitments.

Firstly, I would like to emphasize the need for steady use of nuclear power.

To achieve the three E's, we must make most effective use of the existing nuclear power plants, as well as build new plants and replace older plants.

As a major premise, the electric power industry must continue to improve safety and quality based on the latest findings, adopt the latest technologies and voluntarily carry out safety activities. We also seek progress in discussions on more reasonable and effective safety regulations, because this will help steadily raise the plant capacity factor.

The second commitment is to establish the nuclear fuel cycle.

The importance of reprocessing all spent fuel and efficiently using recovered plutonium, uranium, etc. was acknowledged last month at a meeting of the

Nuclear Fuel Cycle Conference, as a consistent, unchanging mid- to long-term national policy.

The whole industry is working on the nuclear fuel cycle through steadily completing the Rokkasho Reprocessing Plant and implementing the plutothermal (MOX fuel utilization) project. In terms of preparing for reprocessing nuclear fuel, it is important to build interim storage facilities for spent fuel which is a valuable energy resource, in an appropriate manner.

The third commitment is to expand our global activities. In October, it was agreed that Japan will participate in a nuclear power project in Vietnam. We have thus taken the first step in exporting nuclear power plants to emerging countries.

Nuclear power plants cannot be built in emerging countries by private companies alone because government-level negotiations are required for some international issues. I expect the meeting on the new framework will corroborate the principle that such international issues should be tackled through public-private partnership regime.

These are our ideas concerning the revision of the Framework, which I want to emphasize before attending the framework meeting.

Progress in nuclear power generation requires public acceptance and support. When creating the new framework, the Government is expected to announce a firm policy on the peaceful use of nuclear energy, and make the public aware of the value and significance of nuclear power.

2. Year-End Remarks

This is the last press conference of the year.

I was appointed as FEPC chairman in June, and already half a year has passed so quickly. I have been involved in discussions on global warming and environmental policies, and dealt with issues concerning the nuclear fuel cycle.

Next year, we will celebrate the 60th year since the electric power utilities of Japan were established in their present form. According to the Chinese astrological calendar, we will complete one cycle of 60 years, and so we should

review our origins and then start anew.

So, 2011 marks a year when the electric power industry of Japan should take new steps for the future.

We will actively participate in revising the Framework for Nuclear Energy Policy as mentioned earlier and also in discussions on new frameworks for electric power utilities to create a low carbon society. We are also committed to creating the nuclear fuel cycle, including selecting final disposal sites for high level radioactive waste.

To all members of the press club for energy-related issues, and to other representatives of the mass media, I sincerely thank you for your support during this year, and ask for your continued support next year.

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