

Summary of Press Conference Comments Made by Makoto Yagi, FEPC Chairman, on July 15, 2011

I am Makoto Yagi, Chairman of FEPC. Thank you for taking the time to be here today.

Today, I would like to say a few words on the following three topics: stress tests on nuclear power plants, the bill concerning the Formation of a Nuclear Damage Compensation Support Organization, and the email issue of the Kyushu Electric Power Company.

1. Stress tests on nuclear power stations

On July 6 last week, Prime Minister Kan announced that stress tests would be conducted on nuclear power plants to evaluate their safety margins against the severe accidents in case of an earthquake or tsunami.

Although the evaluation method and implementation plan have not yet been announced, the electric power companies are committed to performing accurate evaluations as soon as the test instructions have been announced, in order to alleviate concerns and restore confidence among the Japanese public, including the communities that host nuclear power plants.

Unfortunately, however, this sudden announcement has caused confusion in the communities that host nuclear power stations and has increased their distrust.

Communities that host nuclear power stations have a strong sense of pride and responsibility that they are supporting the national energy policy.

The power companies are keenly aware that the entire electric power business starts from and is based on the trust of local communities, including those that host nuclear power stations.

This trust has been built up over as long as twenty or thirty years mainly on the frontline, not only in the construction, operation and maintenance of nuclear power plants but also ranging from those of thermal and hydraulic power plants to electric transmission and distribution facilities. Without the understanding and trust of those communities, it would be impossible to maintain a stable supply of electricity.

While the power companies will continue to explain the safety of nuclear power generation to the hosting communities, we also ask the central government to listen closely to the opinions

of those communities, and to give them full explanations.

At a recent press conference, Prime Minister Kan said that “Japan should aim for a society that does not depend on nuclear power generation.”

As I have already said in a press release issued in response to this comment, a drastic change in the nation’s energy policy is an extremely important issue that would cast impacts onto foundations of Japan’s future, and could cause serious problems in the future if a wrong course is taken.

I think detailed national discussions based on complete transparency and thoroughly verified data are required, without persisting prejudged conclusions.

2. Our view on the bill concerning the Formation of a Nuclear Damage Compensation Support Organization

Discussions on the bill concerning the Formation of a Nuclear Damage Compensation Support Organization began in the current Diet session, from July 8.

I was called to the Diet the day before yesterday to give unsworn testimony, and I presented the opinion of the electric power industry on this bill.

Regarding this bill, all electric power companies share the view that the bill must be passed quickly during the current Diet session and that the new system of support needs to be implemented soon, to ensure that the affected people receive compensation quickly and without fail, and that Tokyo Electric Power Company can maintain a stable supply of electricity and continue to deal with the accident.

On that premise, I think the compensation system must meet three key conditions to win the consent of customers and shareholders of power companies.

The first condition is to clarify why all the power companies should participate in the new compensation support organization and bear part of the compensation cost.

The second condition is to clarify the responsibility and burden of the national government.

We request this clarification since the power companies have been involved in nuclear power based on national government policy.

The third condition is the level of burden for the power companies.

While the actual amount has not yet been announced, it should be kept to a level that our customers and shareholders can accept.

We hope that these requests will be seriously considered in the upcoming Diet discussions and in producing a ministerial ordinance, and that compensation will be paid as quickly as possible.

3. Email issue of the Kyushu Electric Power Company

Lastly, I would like to say a few words on the recent email issue concerning the Kyushu Electric.

This problem resulted from a weak sense of compliance and ethics within the company. The other power companies, as players in the same industry, are also concerned about this issue and are taking it very seriously.

Yesterday, the Director-General of the Agency for Natural Resources and Energy requested the seven electric power companies to investigate whether there has been any similar maneuver during the past five years, and to report the results.

The power companies, which have always focused on compliance as a fundamental policy, believe there have been no similar maneuvers, but will conduct thorough investigations and report the results, and will make every effort to ensure nuclear safety and restore public trust with an even stronger sense of responsibility.

Lastly, the summer is nearing its peak while many nuclear power stations remain suspended. Once again, I sincerely apologize for asking our customers to cut back on electricity and express my heartfelt gratitude for everyone's cooperation.

All the power companies will continue to do their best to provide a stable supply of electricity. We thank all our customers for their understanding and continued support.

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