

Thank you for taking the time to be here. Today, following my press conference as the chairman of FEPC, I will have another press conference as President of the Kansai Electric Power Company.

First, I would like to say a few words as FEPC Chairman on the supply and demand outlook for this winter, and the measures to secure the safety of nuclear power stations.

1. Supply and Demand Outlook for Electricity for This Winter

On October 12 last week, the electric power companies submitted reports on the supply and demand outlook for electricity of the respective companies to the government in response to the government order based on the Electricity Business Act.

The reports contain information on the electricity demand outlook and the available supply capabilities that have been carefully reviewed by the power companies, and are currently being examined objectively and thoroughly by the Electricity Supply-Demand Verification Committee of the government as they were this past summer.

The electric power companies expect that they can just barely secure the minimum reserve margin of 3%, but there is no room for optimism about the supply and demand situation. The situation may be particularly tight in Hokkaido, where the peak power demand occurs in the wintertime, considering the potential risk of trouble at thermal power stations and the limitations of power interchange with other power companies.

Currently, the electric power companies are working to ensure the necessary supply for this winter, for instance, by conducting detailed inspections of thermal power plants that were put off during the summer so as not to disrupt plant operation, ensuring additional supply capacities, and securing the necessary thermal plant fuels. They are also taking demand-side measures such as considering expanding supply and demand adjustment contracts, which is also effective for saving electricity during the summer,

thereby making utmost efforts to secure a stable supply of electricity on both the supply and demand sides.

We will report further on the details of these measures after we receive the results of examination by the Electricity Supply-Demand Verification Committee.

2. Measures to Secure the Safety of Nuclear Power Stations

Let me now speak about the measures for securing the safety of nuclear power stations.

Vowing never to allow a repetition of the Fukushima Daiichi accident, the electric power companies have been working constantly since immediately after the accident to improve nuclear plant safety, starting with emergency safety measures including installing power supply vehicles and water feed pumps, followed by a series of voluntary actions to make the safety measures more effective, such as installing air-cooled emergency power generators and large-capacity pumps.

The effects of these measures have been evaluated quantitatively through stress tests, and the results have been examined through the highly transparent process of a government-hosted expert hearing whose process was made public.

Further, the electric power companies have already started implementing the thirty safety measures that have been listed up by the Nuclear and Industrial Safety Agency based on the technical findings from the Fukushima Daiichi accident.

Under such circumstances, the recently established Nuclear Regulation Authority has announced plans to rewrite the current safety standards of nuclear power stations from scratch, and to present the framework of the new standards by the end of this fiscal year.

While the electric power companies are prepared to fully meet the new standards by taking all possible measures to secure the safety of nuclear power, we ask the Authority to present as soon as

possible the specific schedule on how to proceed. Also, to allow the power companies to start implementing the safety measures in a timely manner, we also ask the Authority to indicate the direction of the new safety standards and the actions that will be required, if possible before they are finalized, even in draft form.

All electric power companies are facing extremely tight finances due to the lack of a clear schedule for restarting the nuclear power plants, which is resulting in a tight supply and demand situation and a tremendous increase in fuel costs for thermal power.

While the electric power companies will make utmost efforts for supply and demand measures and efficient company management, we believe that those nuclear plants which have been confirmed to be safe by the Nuclear Safety Authority should be started promptly to enable the power companies to fulfill their duty of “providing high quality and inexpensive electricity to customers in a stable manner”. The power companies will continue to invest any available management resources to secure nuclear safety, and will communicate the details of their efforts to the public in order to win their understanding.