

Thank you for taking the time to be here.

This is the last press conference for 2012. Today, I would like to look back on 2012 from the electric power industry's perspective. Please look at the handouts for reference.

One year and nine months have passed since the Fukushima Daiichi accident in March last year. I am deeply sorry for the great concern and inconvenience that the accident continues to cause to many people, especially to the local residents.

Under the comprehensive special business plan approved in May, with the assistance of the government, the Tokyo Electric Power Company is working hard on the compensation for the accident, the mid- to long-term stabilization and decommissioning of the nuclear power plant, and stabilizing the supply of electricity. The electric power industry is determined to work together and make utmost efforts in dealing with these issues.

Next, I would like to say a few words on our response to the issue of the supply and demand of electricity. This year, the electric power companies have given the highest priority to stabilizing the supply and demand of electricity, firmly believing that generating and providing electricity to our customers is our most important mission. We once again apologize for asking our customers to cut back on electricity this year as well as last year in order to achieve this goal, and thank them for their extraordinary cooperation.

With the start of the periodic inspection of Tomari Nuclear Power Station Unit 3 in May this year, all fifty nuclear power plants of Japan became shut down, making the outlook for the supply and demand for electricity during the summer extremely tight.

Under such circumstances, we managed to restart Units 3 and 4 of Ohi Nuclear Power Station in July with the understanding and efforts of the government and municipalities involved. With this, combined with the additional electricity supplies secured by electric power companies and, above all, the extraordinary cooperation of our customers in saving electricity, the power companies managed to pull through the summer.

The supply and demand situation remains uncertain for the winter, and so we will continue to make utmost efforts on both the supply and demand sides. We apologize to everyone in this country, especially the people of Hokkaido who are cutting back on electricity with numerical targets, for the inconvenience caused, and ask for their understanding.

Next, I would like to comment on the rise in electricity tariffs.

This year, for the first time in thirty-two years, Tokyo Electric Power Company raised the electricity tariffs of the liberalized segment from April and of the regulated segment from September. Subsequently, with no clear prospects for restarting any of the nuclear power plants in Japan, causing fuel costs to increase tremendously and the financial conditions of the electric power companies to tighten, Kansai Electric Power Company and Kyushu Electric Power Company took the tough decision to apply for a raise in electricity tariffs starting next April in order to prevent an impact on the stable supply of electricity. Shikoku Electric Power Company and Tohoku Electric Power Company also announced that they have begun to consider the possibility of raising electricity tariffs.

It is with great reluctance that we must ask our customers to bear this enormous burden. We pledge to continue to make every effort to improve the efficiency of our businesses, and ask for the understanding of our customers.

I would now like to say a few words on our stance on restarting the nuclear power plants

and securing safety. Nuclear power plays an essential role both for securing a stable supply of electricity and for reducing the financial burden on the public and businesses, and we would like to restart, as early as possible, those plants that have been proven to be safe. We will continue to make utmost efforts to ensure safety and to gain public understanding.

With regard to ensuring the safety of nuclear power plants, we have implemented timely and thorough emergency safety measures to strengthen the redundancy and diversity of existing safety measures since immediately after the accident, vowing never to allow a repetition of the Fukushima Daiichi accident. We are also taking voluntary and continuous measures to improve the safety and reliability of nuclear power.

Under such circumstances, the Nuclear Regulation Authority was established in September, and is currently considering new safety standards. The electric power companies are prepared to fully meet the new standards which will be announced by the Authority. Meanwhile, as it takes a certain amount of lead-time before safety measures can be implemented, we ask the Authority to indicate the direction and rough draft of the new safety standards at appropriate timings so that the power companies can start swiftly implementing the safety measures.

Further, in November, the Japan Nuclear Safety Institute was established to firmly lead the safety activities of the power companies from an independent standpoint. The power companies consider the establishment of this Institute as an opportunity to renew our determination to improve ourselves and fulfill our mission, and to achieve the highest level of safety in the world through utmost efforts.

Next, I would like to speak about the energy policy. Since the beginning of this year, various discussions have been held in the Energy and Environment Council, the Committee on Fundamental Issues and the Expert Committee on Electric Power System Reforms.

In June, three options on the proportion of nuclear power in the energy mix were presented

at the Energy and Environment Council, and in September, the Innovative Strategy for Energy and the Environment, which aims at achieving zero nuclear power by the 2030s, was finalized. We consider that there are too many problems in aiming to achieve zero nuclear power, and have repeatedly stated that it should be revised.

Energy policy is a core policy of a nation which should be promoted without fluctuating in the long run. It is important for Japan, which has limited energy resources, to build an optimum energy mix from the perspective of the “S+3E’s policy”. We earnestly ask that realistic discussions be held on revising the Strategy.

As for the reforms of the electric power system, which was just discussed on December 6 last week, as we have said many times, we will continue to fully cooperate with the detailed studies for full deregulation and the neutral and wide-area operation of the network, to select an electric power system that is truly beneficial for the public.

However, the situation is changing dramatically and in unexpected ways, such as the worsening finances of the electric companies which have no clear prospects for improving their tight supply and demand situation due to the considerable delay in restarting the nuclear power plants, and the growing uncertainty regarding the mid- to long-term policy on nuclear power. We think that the risks and impacts of reviewing the structure of the system and organizations under such circumstances should be considered more carefully.

This year saw various moves concerning the electricity industry and the energy situation. Further, there were many climate-related disasters this year, such as the tornado that hit the Kanto region in May, the heavy rainfall in the Kyushu region in July, the typhoon that hit Okinawa in September, and the snow storm in Hokkaido last month.

We apologize for the significant inconvenience caused to our customers by blackouts resulting from these disasters. At the same time, we were heartened and encouraged to hear that the employees of the power companies worked day and night under severe conditions to

restore the power supply.

This sense of mission to overcome hardships and provide electricity to customers has been passed down from the power company employees before us, and is the very foundation of the electricity industry.

While the situation surrounding the electricity industry is likely to remain tough next year, the industry will work together to regain the trust of customers, bearing in mind our most important mission of providing high quality electricity stably at as low a rate as possible.