

Summary of Press Conference Comments Made by Makoto Yagi, FEPC Chairman,
on June 12, 2015

Thank you for taking the time to be here. Due to the rotation of roles, I will also speak as the president of Kansai Electric Power Company. First, as Chairman of the FEPC, I would like to outline our views on the Energy Mix and the future energy policy.

1 .Energy Mix and the Future Energy Policy

(Our View on the Draft Report on the Energy Mix)

Regarding the Energy Mix, a draft report was formulated by the Subcommittee on June 1, and is currently open for public comment. We consider that this draft generation mix, which was formulated through wide-ranging discussions based on the new Strategic Energy Plan established in April last year, marks an important milestone. The power companies have constantly been searching for a realistic energy mix that can achieve all the S + 3E policies in Japan which has few energy resources, and we consider that it is very significant that the draft generation mix is well-balanced overall, and that it indicates a clear numerical capacity for nuclear power.

At the G7 Summit on June 7 and 8, Prime Minister Abe announced Japan's policies for fighting global warming. The policies are based on Japan's draft Intended Nationally Determined Contributions (INDC) which in turn are based on this generation mix. Climate actions and energy policies are inextricably interlinked, and thus need to be fully consistent with each other. We understand that the INDC are due to be decided officially following the public comment currently ongoing. The electric power companies will make efforts to set the target for the entire power industry in line with the government's climate action schedule, so that it can be presented as soon as possible.

(Actions to be Taken for Achieving the Energy Mix)

The key in moving forward is how to realize the new Energy Mix. We will make utmost efforts to achieve the S + 3E policies. Accordingly, we earnestly ask the government to establish the necessary policies and the environment to enable us to do so.

Specifically, regarding nuclear power, the power companies will aim to restart the plants as quickly as possible, with safety as the first priority. We will continue to respond earnestly and accurately to the reviews of the nuclear power plants, including the pre-service inspection of Sendai Nuclear Power Station whose safety reviews have now been completed. Hence, we will work hard to regain public trust by accumulating a track record of safe and stable operation while further improving

safety.

However, nuclear power requires massive investment and a long time frame. Until now, the power companies have worked jointly on the nuclear power business, including the backend, with long-term foresight under a national policy. However, now that the policy aims to reduce the dependence on nuclear power and the environment is becoming increasingly competitive, the future of the business and the prospects for recouping investments are becoming more uncertain. For private power companies to continue to operate nuclear power, which has been an important power source for Japan, even under these new circumstances it is essential to improve the business environment so that the companies can continue to plan and execute their businesses for the long term.

Regarding renewable energies, which were a focus of the recent discussions, the policy aims to significantly expand their introduction. To maximize the use of renewable energies, which will improve Japan's energy self-sufficiency rate and are environment-friendly, the power companies are applying their expertise to the various challenges by conducting demonstrations, such as performance tests of large-scale battery cells (Hokkaido, Tohoku and Kyushu), and establishing technology for fine output control of solar PV plants (Tokyo, Hokuriku, Kansai and Kyushu).

When introducing more renewables, institutional revisions are also required so that various renewable power sources can be introduced with a good balance. We believe the expansion must also be based on a long-term schedule while gaining the understanding of the public, including consumers and industry, as it will impose a burden on the people.

This closes my comments on the Energy Mix and the future energy policy.

2.Change in the Board of Directors

Lastly, I would like to report a change in the FEPC board of directors, as described in [Document 1](#). With the change of presidents of the member companies, Mr. Tomohide Karita, President of Chugoku Electric, and Mr. Michiaki Uriu, President of Kyushu Electric, will take office as part-time Vice-Chairmen of FEPC. We ask for your continued support for this new team.

Replacement of FEPC Directors

We hereby announce the replacement of FEPC directors decided by the General Policy Meeting held today. The replacement will take effect on June 25.

Present	New
Vice Chairman Akira Chiba (President and Director of Shikoku Electric Power Co., Inc.) (Scheduled to become Chairman of Shikoku Electric as of June 25, 2015)	Vice Chairman Tomohide Karita (President and Director of Chugoku Electric Power Co., Inc.)
Vice Chairman Susumu Kyuwa (President of Hokuriku Electric Power Co., Inc.) Scheduled to become Chairman of Hokuriku Electric as of June 25, 2015)	Vice Chairman Michiaki Uriu (President of Kyushu Electric Power Co., Inc.)

(Reference)

New Board of Directors of FEPC (from June 25, 2015)

Chairman	Makoto Yagi (President and Director of Kansai Electric Power Co., Inc.)
Vice Chairmen	Tomohide Karita (President and Director of Chugoku Electric Power Co., Inc.) Michiaki Uriu (President of Kyushu Electric Power Co., Inc.)
Vice Chairman, Head of Nuclear Waste Final Repository Promotion Headquarters	Yuzuru Hiroe (Corporate Officer of Kansai Electric Power Co., Inc.)
Senior Managing Director, Head of Fukushima Support Headquarters	Satoshi Onoda (Director of Chubu Electric Power Co., Inc.)
Director, Secretary General	Hirohisa Yashiro (Executive Officer of Tohoku Electric Power Company)
Director, Deputy Secretary General	Yasuhiro Tejima (Director of Tokyo Electric Power Co., Inc.)
Director, Head of Nuclear Fuel Cycle Promotion Headquarters	Susumu Tanuma (Kansai Electric Power Co., Inc.)