

Summary of Press Conference Comments Made by Makoto Yagi,
FEPC Chairman, on June 10, 2016

I am Makoto Yagi, the Chairman of the Federation of Electric Power Companies or FEPC. This is going to be my final media conference as the FEPC Chairman. We will be introducing you to Satoru Katsuno, the President of Chubu Electric Power Company, who will take over as the new Chairman of this Federation and address you as the in-coming Chairman later in this conference.

Firstly, I would like to provide briefing on two matters: ‘Revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities’ and ‘Initiative for establishing the Spent Fuel Reprocessing Organization.’

1. Revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities

The first topic is the revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities.

The latest revision of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities is designed to facilitate transition into the new certification scheme, establishment of pricing target specific to each of the power sources, and introduction of a bidding system, so as to resolve issues present under the current framework, such as the handling of certified power suppliers that stay non-operational and sudden increase of renewable surcharges on electricity users. The goal is to ‘maximize the use of renewable energies and minimize public burden at the same time.’ The revision signifies an important step toward promoting greater introduction of renewable energies in the future.

We are committed to making necessary considerations and preparation work for the implementation of the revised provisions, and will continue to work toward the introduction and expansion of sustainable renewable energy use.

Under the latest revision, certified suppliers who do not reach the stage of signing a grid connection agreement as of the law’s implementation would lose their status of legal certification. The government is already trying to publicize details of transitional measures and their schedule. In order to ensure smooth transition into the new scheme, we also intend to have our member companies implement initiatives such as notifying applicable suppliers of the application deadline for signing a grid connection agreement before the revised Act takes effect.

2. Initiative for establishing the Spent Fuel Reprocessing Organization

The next topic is the initiative for establishing the Spent Fuel Reprocessing Organization.

The Diet recently passed the Spent Nuclear Fuel Reprocessing Fund Act, which was promulgated on the 18th of last month. In accordance with this Act, the Spent Fuel Reprocessing Organization is to be established as the main body for steadily and efficiently handling the reprocessing of spent nuclear fuel and other operations.

In preparation, the presidents of Japan's nine electric utilities that operate the nuclear power business and Japan Atomic Power Company have today confirmed their intention to become the new Organization's founding members as of July 1.

From July 1 onwards, they will carry out preparatory work toward establishing the Spent Fuel Reprocessing Organization, including compiling the Articles of Association and business plan, as well as filing for a government approval for setting up the Organization.

Our business environment is changing with the full liberalization of the retail power market and the government's plan to reduce the nation's reliance on nuclear energy. Yet, with understanding from the people of communities hosting nuclear power stations and the rest of society at large, we will continue to work with Japan Nuclear Fuel Limited and other parties to ensure the promotion of spent fuel reprocessing and other operations.

This concludes my segment of today's media conference.

3. Appointment of new chairman and change of FEPC management team

As reported in the April media conference, I will be vacating the position of FEPC Chairman, to be replaced by President Satoru Katsuno of Chubu Electric Power Company.

Upon assuming this position in April 2011, I expressed my apprehension about 'taking up a major role of FEPC Chairman at a time of unprecedented emergency for the electric power industry.' As I predicted, the past five years have been the period of enormous challenges and transformation that the electric power industry had never experienced before.

As the Chairman, I dealt with each of the challenges at hand and led the entire industry, believing that my mission was to 'bring the industry together in tackling the emergency, and ensure nuclear safety to alleviate and resolve public concerns and fears.'

In late March, in the media conferencing announcing my departure from the Presidency of Kansai Electric Power Company, I was asked about how I felt, looking back on my time as the company's President. I said, "My best memory as the FEPC Chairman was the maximum efforts I made to win public understanding on nuclear energy." This perfectly describes my feeling about my time as the Chairman of FEPC.

Thinking about our initiatives for restoring public trust in nuclear energy and the status of nuclear plants' operation resumption, I feel I am leaving with some tasks undone. However, I have every confidence in the in-coming Chairman Katsuno.

Needless to say, President Katsuno is a perfect fit for this position, which involves steering the course of the electric power industry, currently facing a mountain of difficult challenges.

Please provide your continued support for the in-coming Chairman.

Also take a look at the circulated '[Reference 1](#),' which details FEPC's new management team.

【Message by the in-coming Chairman Katsuno】

I am Katsuno from Chubu Electric Power Company. I have been appointed to become the next Chairman of FEPC. Your continued support for FEPC is sincerely appreciated.

The out-going Chairman Yagi has led the electric power industry with outstanding sense of judgment and powerful leadership at a time when the industry was facing an unprecedented level of difficulties and transformation, as he had just mentioned in his speech. I wish to express my deepest respect for his years of hard work and achievements.

I am feeling a grave sense of responsibility about taking over the position of Chairman Yagi and leading FEPC as the new Chairman.

I do not have to reiterate the fact that the electric power industry is surrounded by tough challenges, such as restoring public trust in nuclear energy, resuming the operation of nuclear power stations, as well as establishing the Nuclear Fuel Cycle program, reforming the electric utility system and mitigating the effects of global warming. Working in close partnership with the Presidents of all electric utilities, I am committed to dedicating my all to the advancement of the electric power industry.

Thank you very much.

June 10, 2016
FEPC

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 28.

Present	New
Chairman Makoto Yagi (President and Director of Kansai Electric Power Co., Inc.) (Scheduled to become Chairman of Kansai Electric Power Co., Inc. as of June 28, 2016)	Chairman Satoru Katsuno (President and Director of Chubu Electric Power Co., Inc.)
Director, Deputy Secretary General Yasuhiro Tejima (Director of Tokyo Electric Power Co., Inc.) (Scheduled to become President and Director of Tokyo Densetsu Service Co., Ltd. as of June 27, 2016)	Director, Deputy Secretary General Toshihiro Mukaiyama (Tokyo Electric Power Co., Inc.)

(Reference)

New Board of Directors of FEPC (from June 28, 2016)

Chairman	Satoru Katsuno (President and Director of Chubu Electric Power Co., Inc.)
Vice Chairman	Michiaki Uriu (President of Kyushu Electric Power Co., Inc.)
Vice Chairmen	Akihiko Mayumi (President and Director of Hokkaido 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	Toshihiro Mukaiyama (Tokyo Electric Power Co., Inc.)
Director, Head of Nuclear Fuel Cycle Promotion Headquarters	Susumu Tanuma (Kansai Electric Power Co., Inc.)