

Summary of Press Conference Comments Made by Satoru Katsuno, FEPC Chairman,

on May 17, 2019

I am Satoru Katsuno, Chairman of the Federation of Electric Power Companies. Before I report on today's agenda, I would first like to say a few words about the executive appointments of the Federation of Electric Power Companies.

Next month, I will be finishing up my third year as the Chairman of the Federation of Electric Power Companies. The electricity industry has gone through a time of great transformation throughout my tenure.

This April marked the third year since the full liberalization of electricity retailing. Over these years, Japanese electricity market has become increasingly competitive and customers have seen an increase in viable options.

The final step of the electricity system reform, the legal unbundling of the transmission and distribution division, will be implemented in April of next year. All utilities are steadily preparing for a smooth split, continuing to maintain the stable supply of electricity while securing transparency and neutrality under the new system and market.

We have developed a better outlook on the issues that we as the electricity industry need to solve in developing a system and rules for stable supply and implementing electricity system reform. I, therefore, have decided this is the opportune moment for me to step down as the Chairman of the Federation of Electric Power Companies, effective June 14.

President Iwane of the Kansai Electric Power has been unanimously elected as the succeeding Chairman in the General Policy Committee of the Federation of Electric Power Companies held today. President Iwane and I will be officially making the

announcement at the Federation of Electric Power Companies Chairman press conference next month.

I will continue to do my best in this post until my retirement. After my retirement as Chairman, I will continue to work on various electricity-related issues as the President of Chubu Electric Power, a member of the Federation of Electric Power Companies.

As you can see in the [handouts](#), I am also pleased to announce that we will be appointing new Vice Chairmen.

Now, I would like to talk about the “long-term growth strategy based on the Paris Agreement” and “increasing electricity resilience toward a decarbonized society”.

<Long-term growth strategy based on the Paris Agreement>

First, I would like to talk about the “long-term growth strategy based on the Paris Agreement” which was debated in a government council on April 23 and was open for public comment until yesterday.

The government has been formulating a long-term growth strategy based on the Paris Agreement, referencing the proposal compiled by the “Meeting on a Long-Term Strategy under the Paris Agreement as Growth Strategy” to achieve greenhouse gas development of Japan’s economy and society in the long term.

The draft of the long-term growth strategy aims to realize a “decarbonized society” that is carbon neutral as early as possible in the latter half of this century. It sets out an ambitious vision to make radical changes to reduce greenhouse gases by 80% by 2050.

In addition to setting out such goals, implementing effective measures is also important in realizing a decarbonized society. The draft also revisited the importance of promoting the decarbonization of energy based on the Strategic Energy Plan

formulated based on S+3E.

More specifically, the importance of reducing CO<sub>2</sub> emissions of the energy sources, which makes up approximately 90% of Japan's greenhouse gas emissions, was highlighted. The draft included measures to shift sources of energy from fossil fuel to sustainable sources, including increasing deployment of renewable energy as a potential main power supply and restarting nuclear power plants.

The draft also expressed the necessity of energy saving through increasing energy consumption efficiency and the policy of promoting the next generational electricity transmission and distribution network.

We believe that all stakeholders, from the industrial sector to the general public, need to work together to pursue this long-term growth strategy based on the premise of balancing global warming countermeasures and economic growth to aim for economic and societal growth while reducing greenhouse gas emissions.

It is our understanding that the government will be formulating the long-term growth strategy based on the results of the public comment. We hope that it will be a fair and balanced strategy that takes into consideration its impact on the economy and the general public to ensure that all related parties can pursue this important strategy with conviction.

Member companies of the Federation of Electric Power Companies will continue to run PDCA cycles as the Electric Power Council for a Low Carbon Society to advance effective initiatives for the reduction of CO<sub>2</sub> emissions.

Moreover, to achieve the 2030 energy mix, we will work on further deploying renewable energy and increasing the efficiency of thermal power generation. We will also continue to work on restarting nuclear power plants having secured safety first,

and will prepare for the possibility of building new plants and replacing existing ones by tirelessly pursuing safety and economic efficiency.

<Increasing electricity resilience toward a decarbonized society>

Next, I would like to address “increasing electricity resilience toward a decarbonized society”.

We utilities are advancing electricity resilience enforcement measures to further stabilize supply, in light of the lessons learned and the challenges extracted in last year’s natural disasters.

Meanwhile, on April 26, the Subcommittee on Electricity Resilience of Organization for the Cross-regional Coordination of Transmission Operators (OCCTO) reported on cost-benefit analysis conducted on multiple model cases, with different routes and on different scales, on the further strengthening of the Hokkaido-Honshu HVDC Link. The analysis proved the validity of enhancing the Hokkaido-Honshu HVDC Link by another 300,000kW.

Yesterday, the “Subcommittee on Electricity Resilience towards a Decarbonized Society” of the Ministry of Economy, Trade and Industry (METI) indicated that the further enhancement of the Hokkaido-Honshu HVDC Link and the Tohoku-Tokyo Interconnection Lines will advance the deployment of renewable energy, based on the cost-benefit analysis from the Organization for Cross-regional Coordination of Transmission Operators (OCCTO). The general framework for cost allocation was also put forth based on the understanding that it will also advance cross-regional exchanges.

The investment paradigm for the next-generational network system and the development of the wheeling system will also need to be discussed in the future. We believe it is important to build a system where the investment costs can be recouped in all cases, including in the enhancement of the Hokkaido-Honshu HVDC Link.

<Final words>

Finally, the new imperial era “Reiwa” was heralded in on the first of this month.

While people’s lives and the social-economic system change drastically to realize Society 5.0 in this new era, we will aim to build a sophisticated, reliable, and efficient energy infrastructure for the further stabilization of supply by building a next generational network.

The electricity business will maintain a strong sense of responsibility borne of the recognition that it is one of the most important infrastructures. Adopting “stable supply of electricity” and “responding to change” as the key phrases in facing this new era, the electricity industry is committed to implementing bold new initiatives uninhibited by existing perceptions.

This will conclude my segment today.

END

**The Federation of Electric Power Companies of Japan  
Announcement Regarding Executive Appointments**

May 17, 2019

The Federation of Electric Power Companies of Japan

We hereby announce our executive appointments adopted in today's session of the General Policy Committee. The appointment of the Chairman will be effective June 14.

Current	New
<p>Chairman Satoru Katsuno (President, Chubu Electric Power Co., Inc.) (Retiring as FEPC Chairman as of June 14)</p>	<p>Chairman Shigeki Iwane (President, Kansai Electric Power Co., Inc.) (Appointed FEPC Chairman as of June 14)</p>
<p>Vice Chairman Akihiko Mayumi (President, Hokkaido Electric Power Co., Inc.) (Retiring as FEPC Vice Chairman as of June 14)</p>	<p>Vice Chairman Yutaka Kanai (President, Hokuriku Electric Power Co., Inc.) (Appointed FEPC Vice Chairman as of June 14)</p>
<p>Vice Chairman Hayato Saeki (President, Shikoku Electric Power Co., Inc.) (Retiring as FEPC Vice Chairman as of June 14)</p>	<p>Vice Chairman Hiroya Harada (President, Tohoku Electric Power Co., Inc.) (Appointed FEPC Vice Chairman as of June 14)</p>
<p>Vice Chairman and Head of Nuclear Waste Final Repository Promotion Headquarters Yuzuru Hiroe (Executive Officer, the Kansai Electric Power Co., Inc.) (Retiring as FEPC Vice Chairman as of June 21)</p>	<p>Vice Chairman and Head of Nuclear Waste Final Repository Promotion Headquarters Susumu Tsukiyama (Managing Executive Officer, the Kansai Electric Power Co., Inc.) (Appointed FEPC Vice Chairman as of June 21)</p>

(Reference)

New Board of Directors of the Federation of Electric Power Companies of Japan  
(effective June 21, 2019)

Chairman	Shigeki Iwane (President, The Kansai Electric Power Co., Inc.)
Vice Chairman	Yutaka Kanai (President, Hokuriku Electric Power Co., Inc.)
Vice Chairman	Hiroya Harada (President, Tohoku Electric Power Co., Inc.)
Vice Chairman and Head of Nuclear Waste Final Repository Promotion Headquarters	Susumu Tsukiyama (Executive Officer, the Kansai Electric Power Co., Inc.)
Senior Managing Director and Head of Fukushima Support Headquarters	Shigenobu Shimizu (Honorary Senior Managing Executive Officer, Chubu Electric Power Co., Inc.)
Director and Secretary General	Satoshi Ohmori (Honorary Executive Officer, Tohoku Electric Power Co., Inc.)
Director and Deputy Secretary General	Yoshihiro Tomioka (Tokyo Electric Power Company Holdings, Inc.)