

Summary of Press Conference Comments Made by Satoru Katsuno, FEPC
Chairman, on March 13, 2020

I am Satoru Katsuno, Chairman of the Federation of Electric Power Companies.

<Appointment of an FEPC Chairman>

Before addressing the major items to be discussed in this press conference, I first will talk about the appointment of a new FEPC Chairman.

I will be stepping down as the President of Chubu Electric Power as of the end of this month. Given this development, the FEPC General Policy Committee held today has reached a unanimous decision to elect President Ikebe of Kyushu Electric Power to serve as the next FEPC Chairman.

I will be stepping down as FEPC Chairman effective today and President Ikebe will assume the position of Chairman tomorrow on March 14.

As for today, I will first conduct my last press conference as FEPC Chairman. Then, President Ikebe of Kyushu Electric Power, the new Chairman and I will jointly give comments as the outgoing and incoming Chairmen.

I would like to comment on the other executive appointments then, as we have also appointed new FEPC executives as announced to the members of the Energy Press Club this morning and can be seen in [Document 1](#) at hand.

Now, I, as FEPC Chairman, am first going to talk about “the nine years since the Great East Japan Earthquake”, “response to prevent the spread of COVID-19”, and “response to the legal unbundling of the transmission and distribution division”.

<The nine years since the Great East Japan Earthquake>

First, I want to address “the nine years since the Great East Japan Earthquake”.

March 11 of this year marked the start of the 10th year after the Great East Japan Earthquake—nine full years have passed since the disaster. I feel very regretful as a person involved in the electricity industry that the Fukushima Daiichi Nuclear Power Station Accident continues to burden, trouble, and cause concern for so many people.

In Fukushima recovery, we believe that enhancing initiatives to help the return of those who evacuated and further accelerating reconstruction and revitalization efforts, which include rebuilding businesses and livelihoods, according to the Act on Special Measures for the Reconstruction and Revitalization of Fukushima are vital.

With a strong conviction that we must never let an accident like the Fukushima Accident happen again, we, nuclear operators, have been responding appropriately to the new regulatory requirements and strengthening autonomous nuclear power station safety improvement initiatives in cooperation with external organizations, such as the Japan Nuclear Safety Institute (JANSI), Nuclear Risk Research Center (NRRC) at the Central Research Institute of Electric Power Industry (CRIEPI), and the Atomic Energy Association (ATENA), to secure a higher dimension of safety.

The concept of “performance-based” inspections where the safety of the plant is confirmed based on a “risk-informed” approach has been introduced in the new nuclear power plant inspection system being implemented this April. This is key in building a system to effectively increase plant safety through the nuclear operators’ autonomous safety activities.

The nuclear industry as a whole will continue to autonomously and continuously promote such initiatives to recover trust from the siting region and society at large.

<Response to prevent the spread of COVID-19>

Next, I would like to address our “response to prevent the spread of COVID-19”.

In response to the spread of COVID-19 in Japan, FEPC established a “COVID-19 Response Headquarters” on February 27. FEPC, led by the COVID-19 Response Headquarters, has been further strengthening cooperation among utilities on measures to prevent the spread of COVID-19 and implementing measures to maintain the functions of FEPC.

Each utility has initiated its Business Continuity Plan (BCP) to maintain a stable supply of electricity. The Business Continuity Plan (BCP) is a plan that had been formulated beforehand to prepare for pandemics due to infectious diseases such as new strains of influenza. Utilities have each established their emergency management structure and are comprehensively managing the situation, aiming for continuous improvement by formulating contamination prevention and escalation prevention measures and reviewing business operations.

On a concrete basis, utilities have established a response headquarters headed by an executive and are actively promoting remote work and staggered commuting, and canceling or postponing nonessential and nonurgent meetings. At power plants and load dispatching offices, utilities are strictly enforcing the use of masks and hand washing, closing facilities to the public, and going over emergency response procedures for when an infection is identified.

Each utility is working to ensure that materials necessary for the stable

supply of electricity can be secured even if supply chains for parts are disrupted in China.

The COVID-19 Response Headquarters established at FEPC will coordinate closely with utilities and maintain FEPC function to support utilities' efforts to maintain stable supply and will continue to do the utmost to respond to COVID-19.

<Response to the legal unbundling of the transmission and distribution division>

Next, I would like to address the response to the legal unbundling of the transmission and distribution division.

The general transmission and distribution business will be legally unbundled from each utility in the final stage of electricity system reform on the first of next month, marking the end of a major chapter of electricity system reform.

We believe utilities have been preparing steadily for the smooth unbundling of the transmission and distribution division—they have had the absorption-type split agreement for the preparatory company to succeed the transmission and distribution business approved in last year's general shareholders' meeting, built the appropriate organizational structure, and appointed necessary personnel.

Each utility will continue to implement initiatives for the smooth legal unbundling while maintaining the stable supply secured under the integrated system.

FEPC has also decided to autonomously review its organizational structure to respond flexibly to the legal unbundling and other changes in the

environment surrounding the electricity industry. Please look at [Document 2](#) at hand.

The FEPC has decided to establish an “Transmission & Distribution Grid Council” in April 2021. The Council will consist of general transmission and distribution operators that will be legally unbundled. It will contribute to the sound development of the transmission and distribution business by further increasing the neutrality and transparency of the business. In preparation for this, FEPC will establish a preparatory organization, the “Transmission & Distribution Grid Council Establishment Preparation Office” on April 1, 2020.

<In closing>

Finally, there will be no end to our efforts to ensure the stable supply of electricity even after the legal unbundling of the transmission and distribution division.

With the Cabinet approval of the Bill for the Act of Partial Revision of the Electricity Business Act and Other Acts for Establishing Resilient and Sustainable Electricity Supply Systems on February 25, we, electric operators, will be given a new responsibility to increase the resilience of the power grid. Through this, we will continue to do our utmost to maintain the stable supply of electricity.

This is all from me in this FEPC Chairman press conference today.

END

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

March 13, 2020

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 new Chairman will assume his post as of March 14.

Current	New
Chairman Satoru Katsuno (President, Chubu Electric Power Co., Inc.) (Stepping down as FEPC Chairman as of March 13)	Chairman Kazuhiro Ikebe (President, Kyushu Electric Power Co., Inc.) (Appointed FEPC Chairman as of March 14)
Vice Chairman Hiroya Harada (President, Tohoku Electric Power Co., Inc.) (Stepping down as FEPC Vice Chairman as of March 13)	Vice Chairman Mareshige Shimizu (President, Chugoku Electric Power Co., Ltd.) (Appointed FEPC Vice Chairman as of March 14)
—	Director and Deputy Secretary General Atsushi Souda (Executive Officer, Kyushu Electric Power Co., Inc.) (Appointed FEPC Director and Deputy Secretary General as of April 1)

END

(Reference)

New Board of Directors of the Federation of Electric Power Companies of Japan
(effective April 1, 2020)

Chairman Kazuhiro Ikebe (President, Kyushu Electric Power Co., Inc.)
 Vice Chairman Yutaka Kanai (President, Hokuriku Electric Power Co., Inc.)
 Vice Chairman Mareshige Shimizu (President, the Chugoku 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.)

Director and Deputy Secretary General

Atsushi Souda (Executive Officer, Kyushu Electric Power Co., Inc.)

On the “Establishment of the Transmission & Distribution Grid Council
Establishment Preparation Office”

~For establishing a council comprised of general transmission and distribution
operators to be spun off~

March 13, 2020

The Federation of Electric Power Companies of Japan

The Federation of Electric Power Companies of Japan (hereafter FEPC) have tackled various challenges under its mission of responding to public interest challenges such as supplying electricity stably and environmental issues to contribute to the development of the Japanese economy through the sound development of the electricity industry.

The environment surrounding the electricity business is changing drastically as electricity system reform progresses. In April 2020, the transmission and distribution divisions of each utility will be legally unbundled to secure increased neutrality of the transmission and distribution business.

To respond flexibly and appropriately to such changes in the environment as an industry, the FEPC has decided to establish in April 2021 a Transmission & Distribution Grid Council consisting of general transmission and distribution operators that will be legally unbundled. As a precursor to this, the FEPC will establish on April 1, 2020 a Transmission & Distribution Grid Council Establishment Preparation Office within the FEPC which will prepare for the establishment of the Council.

The Transmission & Distribution Grid Council will work with general transmission and distribution operators on technical matters such as system operation, supply and demand management, facilities planning, and work related to the supply and demand adjustment market. To secure further neutrality and transparency, the Council will be operated as an organization independent of the FEPC.

Concrete discussions on the details of this Council will be held by the Transmission & Distribution Grid Council Establishment Preparation Office.

As electricity system reform continues, general transmission and distribution

operators are coming face to face with numerous challenges. They are tackling increased diversification and complexity in technical considerations to further expand renewable energy capacity and increasing power system resilience to maintain and improve electricity supply reliability. Under the new organizational framework, the general transmission and distribution operators will continue to work through these challenges toward the development of a sound transmission and distribution business.

END

(Attachment) Organizational transitions for the establishment of the
Transmission & Distribution Grid Council

(Attachment)

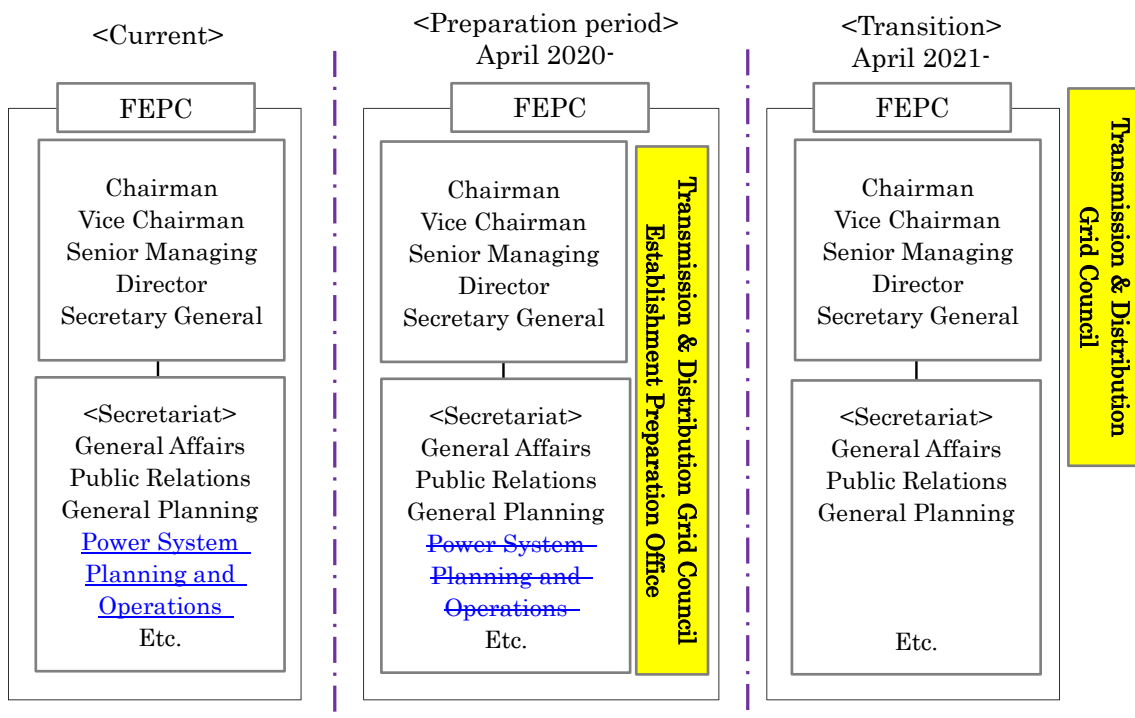
Organizational transitions for the establishment of the “Transmission & Distribution Grid Council”

[April 2020-] Establishment of the "Transmission & Distribution Grid Council Establishment Preparation Office"

- The Power System Planning and Operations Department of FEPC and the work handled by the department will be transferred to the Transmission & Distribution Grid Council Establishment Preparation Office

[April 2021-] Establishment of the “Transmission & Distribution Grid Council”

- To secure further neutrality and transparency, the Council will be operated as an organization independent of the FEPC.



END