

Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC
Chairman, on May 22, 2020

I am Kazuhiro Ikebe, Chairman of the Federation of Electric Power Companies. This is my first press conference as Chairman.

I would like to thank the media, including the Energy Press Club, for their continued support.

Today I would like to address our “responses to COVID-19” and “initiatives to recover trust in the electricity industry”.

<On “responses to COVID-19”>

First, I would like to talk about our “responses to COVID-19”.

On April 7, the government declared a state of emergency for the seven prefectures in the metropolitan area. This was expanded to encompass all prefectures in Japan by the following week. On May 4, it was determined that the state of emergency will continue until the end of May. While the state of emergency was lifted for 42 of the 47 prefectures as of yesterday, the effects of COVID-19 continue to be felt throughout Japan.

I would like to express my sincere sympathies for those infected by the novel coronavirus and would like to again express my gratitude for the efforts of the national and local government and medical professionals who are working tirelessly against COVID-19.

In the face of the current state of affairs, utilities are running their business following the Business Continuity Plan (BCP) that had been formulated to maintain a stable supply of electricity in pandemics caused by new strains of influenza and the like.

Specifically, utilities have each established a response headquarters headed by an officer and have been implementing measures such as actively promoting telecommuting, and canceling or postponing nonurgent and noncritical work. Stations and dispatching offices are strictly enforcing the use of masks and washing and sanitizing of hands, have canceled public tours, and are reviewing and updating emergency response procedures for when someone is infected.

Utilities have also been offering payment extensions on electricity bills in response to requests from customers who are temporarily having difficulty paying their electricity bills as a result of the widespread effects of COVID-19.

In addition to the above, utilities have also been implementing unique initiatives that include sharing educational videos on energy and environmental issues to support home learning in response to the prolonged school shutdowns and supporting the sales of local specialties which have been sluggish due to stagnant economic activity.

The FEPC has also been supporting utility initiatives to prevent infection and the spread of the virus while continuing to provide a stable and reliable supply of electricity by establishing a “COVID-19 Response Headquarters” that allows utilities to share their response status and coordinate closely among themselves.

It is difficult to quantify the impact that COVID-19 has had on Japan’s electricity demand but according to statistics from the Organization for Cross-regional Coordination of Transmission Operators, electricity demand for April 2020 has fallen by around 4% compared to the same month last year (67.2 billion kWh->64.8 billion kWh: net output basis).

We will keep a close eye on demand with a sense of urgency as there are concerns that closure in many industries due to the state of emergency declaration, shutdown of factories, and people refraining from going outdoors may have a lagging but large impact on electricity demand. We will continue to implement COVID-19 response measures as an industry and do our utmost to secure the stable supply of electricity.

<On “initiatives to recover trust in the electricity industry”>

Next, I would like to address our “initiatives to recover trust in the electricity industry”.

Today, in the seventh Corporate Ethics Committee meeting held via teleconferencing, presidents shared each utility’s response to the order for report collection issued by the Ministry of Economy, Trade and Industry twice last month on the existence of cases similar to the Kansai Electric Power Company’s gift reception problem.

Specifically, all companies reported that investigations going back 10 years based on the order for report collection found that there were no cases where officers and employees received cash or goods, where there was inappropriate construction orders or contracts, or compensation in officer salaries in response to officer pay cuts when electricity rates were raised.

In this session, top management of utilities actively exchanged opinions such that “it is important for the president themselves to exhibit leadership and thoroughly enforce compliance”, and that “continuing these compliance initiatives and not letting the lessons learned be forgotten is critical”.

The presidents reach an agreement on the revision of the FEPC Action Guideline that had been a continuing topic of discussion in the committee meetings. Going forward, Guidelines will clearly state that there will be no

giving and receiving gifts, cash, business entertainment that exceed the scope of common sense, sole-source procurement without clear reason, inappropriate donations or giving of corporation money, and that commissioning and remuneration of retiring officers will be kept at an appropriate level. This new Guideline will go into effect today.

Utilities have also agreed to each discuss and build a mechanism for employees and officers to report to the company any gifts or money they had no choice but to receive so that the company can return the gifts or money. They also agreed that FEPC will also create a meeting body where utility initiatives will be shared and necessary improvements implemented to support utilities' compliance-enforcing initiatives from a practical standpoint to prevent the lessons learned here from becoming forgotten.

We, as electric utilities, will continue to aim to recover the trust of society in the electricity business by continuing such unending efforts to enforce compliance.

<In closing>

In closing, I would like to say a word on Japan Nuclear Fuel Limited's progress in the new regulatory requirements conformity review.

In the regular meeting of the Nuclear Regulatory Authority held on the 13th of this month, the Nuclear Regulatory Authority accepted the draft of the new regulatory requirements review document for the JNFL Rokkasho Reprocessing Plant.

We believe that the nuclear fuel cycle is extremely important from the viewpoints of the effective use of uranium, and reduction in volume and toxicity of waste. That the review document for the reprocessing plant was accepted is a big step forward for establishing the nuclear fuel cycle.

We hope that JNFL will continue to put forth their best efforts in the review for the completion of the Rokkasho Reprocessing Plant and we as nuclear operators will continue to provide full support to JNFL as an industry.

This will conclude my segment today.

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