Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC Chairman, on February 19, 2021

I am Kazuhiro Ikebe, Chairman of the Federation of Electric Power Companies.

First, I would like to talk about our response to the earthquake that occurred on February 13 with an epicenter off the coast of Fukushima.

I offer my heartfelt condolences for those affected by the earthquake. A maximum of 860 thousand households in the TEPCO Power Grid area and a maximum of 90 thousand households in the Tohoku EPCO network area lost power as a result of this earthquake.

I deeply apologize for the trouble and inconvenience that the power outages have caused our customers. Power was recovered in all areas by 9 AM the next day on the 14th , as a result of both companies' swift outage recovery work immediately after the earthquake.

Nuclear power plants in regions where shaking was felt most powerfully were not significantly affected. We have also confirmed that there are no abnormalities in the main facilities at the Fukushima Daiichi Nuclear Power Station such as the reactor injection facility and spent fuel pool cooling facility.

Multiple thermal power plants shut down as a result of the earthquake. However, operation has been restarted, beginning with plants that only experienced minor damages, and impact on electricity supply will be minimal.

We will continue to increase electricity resilience in response to such natural disasters.

Now, for the rest of my time today, I would like to talk about the "state of electricity supply and demand " and "ATENA Forum 2021".

<On the state of electricity supply and demand>

First, I would like to talk about the state of electricity supply and demand.

We have caused our customers and society at large great inconvenience and concern in regards to the tightening of electricity supply and demand on a nationwide scale in January.

We have asked our customers to conserve energy by using electricity efficiently and would again like to sincerely thank those who have graciously cooperated in these efforts.

We believe that the tight supply and demand margin is due to an increased electricity demand compared to previous years in the extreme cold that swept the nation which led to reduced fuel inventory, which in turn lead to shortages in supply capability, especially in the amount of power generated (kWh).

Despite these circumstances, utilities have managed to secure sufficient stable supply by doing their utmost to secure supply capability by procuring additional fuel and operating all power plants, including aged thermal power plants that are usually not in operation at maximum capacity, while conducting power interchange on a regional scale with areas with especially tight supply and demand margins in collaboration with the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO).

In the second half of January to February, as warmer days with temperatures above the average have started to mix with days of severe cold, electricity demand has leveled, and inventory of LNG for power generation has recovered to levels needed for stable supply for each utility. On the supply side, Ohi Unit 4 of the Kansai EPCO, a nuclear power plant with capacity of 1180 MW that had been undergoing a periodic inspection, started up on January 15 and has been operating at rated output. Utilities have also been working to secure supply capability using thermal power plants by postponing periodic inspections and continuing operation of plants at increased output.

As a result, we believe we will be able to avoid having tight supply and demand for the rest of this winter.

This supply and demand issue is being verified by the Electricity and Gas Basic Policy Subcommittee of the Ministry of Economy, Trade and Industry. The Federation of Electric Power Companies and the Transmission & Distribution Grid Council explained the situation in a Subcommittee meeting held the day before yesterday.

Challenges identified included

・The estimations for the amount of electricity needed in severe weather was off and evaluations were inadequate.

・Due to insufficient baseload power supply, a shortage in thermal power fuel had an incommensurate effect on the balance of supply and demand nation-wide.

・Delay in identifying the nation-wide shortage in fuel

・Delay in coordinating power interchange to areas with electricity shortages

・Delay in asking the public to conserve power

We as utilities will also be actively discussing these challenges going forward.

I want to sincerely thank everyone from those who have been using electricity efficiently, those in related industries who have helped utilities procure fuel, to those who have maximally operated their private power generators.

Thank you very much.

<On ATENA Forum 2021>

Yesterday, on February 18, the Atomic Energy Association (ATENA) held the ATENA Forum 2021 on improving safety in nuclear power generation. People from the Nuclear Regulation Authority, nuclear industry, and academic experts in Japan as well as experts from overseas participated in this event which was held remotely.

At this Forum, ATENA reported on concrete activities they had engaged in this fiscal year which included the formulation of guidelines to strengthen “cybersecurity at nuclear power plants” and “aging degradation management for safe, long-term operation”, both identified as common challenges that should be prioritized in further improving safety at nuclear power plants, and verifying that operators are implementing

measures according to the guidelines.

A total of four people from the Nuclear Energy Institute (NEI) from the US, Nuclear Risk Reduction Center (NRRC), and Japan Nuclear Safety Institute (JANSI) delivered keynote speeches in a pre-recorded video format about the importance of dialogue between the regulatory and industry and the roles that the organizations from the industrial sector should play in promoting autonomous safety improvements.

In the panel discussion on “activities of various organizations for improving safety”, panelists discussed activities that are being implemented by the regulatory and the nuclear power industry to achieve the common goal of improving safety, focusing on the keywords of “division of roles” and “coordination”. Discussions to shed light on challenges that need to be overcome in further increasing safety ranged from specific examples of activities that have been implemented to things that could be improved.

We nuclear operators will continue to actively participate in ATENA activities and also expect ATENA to engage in actively increasing the safety of nuclear power plants by responding to common technical challenges at nuclear power plants and engaging in dialogue with the regulatory authority.

<In conclusion>

Finally, I would like to address the status of our efforts to realize carbon neutrality by 2050.

We believe that we must aim to realize carbon neutrality by 2050 and to that end, are discussing challenges that must be overcome and initiatives that can be implemented as electric operations in the “Committee for Achieving Carbon Neutral in 2050” established at the end of last year.

Carbon neutral by 2050 is a very ambitious goal for which many challenges and uncertainties must be overcome. The role of the electric power industry in achieving

this goal is significant. We will gather all the technology and knowledge we have at our disposal to contribute as much as possible to achieving carbon neutrality.

This is all from me today.

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State of electricity supply and demand , and thanks for cooperation in conserving energy

February 19, 2021
The Federation of Electric Power Companies of Japan

Since at the tail end of December last year, we have been causing our customers and society at large much inconvenience and concern regarding the nation-wide tightening of power supply and demand. We have started asking the public to conserve energy by using electricity efficiently, and I would like to express my sincere gratitude once again to everyone for their gracious cooperation in these efforts.

We believe that the tight supply and demand margin is due to an increased electricity demand compared to previous years in the extreme cold that swept the nation which led to reduced fuel inventory, which in turn lead to shortages in supply capability, especially in the amount of power generated (kWh).

Despite these circumstances, utilities have managed to secure sufficient stable supply by doing their utmost to secure supply capability by procuring additional fuel and operating all power plants, including aged thermal power plants that are usually not in operation at maximum capacity, while conducting power interchange on a regional scale with areas with especially tight supply and demand margins in collaboration with the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO).

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This supply and demand issue is being verified by the Electricity and Gas Basic Policy Subcommittee of the Ministry of Economy, Trade and Industry. We as utilities are also deliberating over solutions to challenges that came to light in the tightening of electricity supply and demand.

I want to sincerely thank everyone from those who have been using electricity efficiently, those in related industries who have helped utilities procure fuel, to those who have maximally operated their private power generators.

Thank you very much.

Furthermore, multiple power sources mainly on the Pacific coast shutdown as a result of the earthquake that occurred on February 13 with an epicenter off the coast of Fukushima. However, operation has been restarted, beginning with plants that only experienced minor damages, and impact on electricity supply will be minimal.

※For the state of electricity supply and demand for each region, please reference the “electricity forecasts” that can be found on the websites of general transmission and distribution operators.

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