Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC Chairman, on March 18, 2022

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

First I would like to talk about the industry's response to the earthquake that occurred on March 16 off the coast of Fukushima.

I extend my heartfelt sympathies to those who were affected by this earthquake. Up to about 2,100,000 households in the TEPCO Power Grid area and 160,000 households in the Tohoku EPC Network area experienced power outages as a result of this earthquake.

Though the outages caused much concern and inconvenience to our customers, TEPCO recovered power in all of its areas by 3am the day after the earthquake on March 17, and the Tohoku EPCO by 10 pm on March 17 through the swift recovery efforts of both companies that started immediately after the earthquake.

Nuclear power stations located in regions that experienced powerful shaking did not suffer any major damages, and station facilities have already recovered from all minor disruptions such as the temporary shutdown of the spent fuel pool cooling facilities.

The reactor injection facilities of the Fukushima Daiichi Nuclear Power Station remained in operation throughout the event, and records from the monitoring post at the site boundary show that there were no large fluctuations in radiation levels.

Several thermal power plants shut down as a result of the earthquake but some plants have already been restarted beginning from those that have incurred minor damages.

We will continue as an industry to increase electricity resilience in preparation for natural disasters.

This month also marks the 11th year since the Great East Japan Earthquake.

As a party involved in the nuclear power business, I apologize for the inconvenience, concern, and burden the Fukushima Daiichi Nuclear Power Station Accident continues to cause many people.

Since the government decided on its policy for discharging ALPS treated water stored at the Fukushima Daiichi Nuclear Power Station last April, decommissioning at Fukushima Daiichi has been gradually but steadily been progressing. In addition, the evacuation order is going to be lifted and residents will begin to return to live in the special reconstruction and revitalization areas in the difficult-to-return-to zone in Fukushima Prefecture starting this spring. We believe that efforts to reconstruct and revitalize the area, including reconstructing businesses and livelihoods, will be accelerated in response to the lifting of the order.

We as an industry will continue to fully support TEPCO Holdings' decommissioning efforts, as well as the reconstruction of the living environment and creation of industrial foundations and jobs. Under a strong commitment to never let an accident like this occur again, each utility will respond appropriately to the new regulatory requirements and strengthen initiatives to voluntarily increase safety and secure a higher level of safety.

Next, I would like to talk about the two items on our agenda today: the "conflict in Ukraine and energy security" and "nuclear industry's efforts to voluntarily improve safety."

<About the conflict in Ukraine and energy security>

First, I will talk about the conflict in Ukraine and energy security.

As reported in the news, Russia continues its invasion into Ukraine. Civilians in Ukraine and Russia are being faced with a very tough situation right now–I would like to first wish for the world to work on a diplomatic and peaceful resolution that will put a stop to this military conflict. As part of its invasion, the Russian forces attacked the facilities of Ukraine's Zaporizhzhia Nuclear Power Plant. Attacks on nuclear facilities can have a serious effect on the local community and put civilians at risk while also spreading fear among them. These acts of violence are unacceptable and we, as parties working in nuclear power, strongly condemn these attacks and ask that everyone works to secure the safety of nuclear power plants. We look to the Japanese government to cooperate with the international community in bringing this situation under control.

It must be noted that this conflict also directly affects countries' economic security. The conflict in Ukraine and the economic sanctions levied on Russia by various countries are changing daily. The prices of natural resources in the market may further increase as Europe and countries around the world deal with increasing uncertainty in the supply of natural resources.

Since last year, the gas prices have been at soaring globally due to stagnation in new fossil fuel development as a result of pressures to decarbonize, global increases in electricity demand as the world economy recovers from the COVID-19 recession, increased demand of gas-powered thermal power in Europe from low wind power plant availability, and other geopolitical concerns.

As you all well know, discussions of S+3E has mainly focused on the

Environment or environmental conservation with the increase in international interest in global warming since the adoption of the Paris Agreement at COP21 in 2015. While global warming is a serious concern, this was a strong reminder of the importance of meeting Energy Security, as well as Economic Efficiency at the same time.

Fossil fuel currently comprises 70% of the energy mix in Japan. Using nuclear power generation, an established decarbonized technology, as much as possible in addition to renewable energy is key from an energy security perspective. Keeping in mind that the government has already declared nuclear power as a baseload power source, we need to have down-to-earth discussions about our energy supply.

Turning to our recent performance, electricity demand for multiple areas exceeded projected demands for once-in-a-decade extreme cold weather from December 2021 to February 2022. Despite this, we were able to secure stable supply by securing fuel, conducting strict facility maintenance management, and preventing any sort of issues that may reduce supply capacity. I would like to thank those of you who have been cooperating with the efficient use of electricity.

Our most important mission of securing stable supply needs to be fulfilled regardless of fuel procurement challenges and the weather. The system of measures to secure power sources that is the foundation of stable supply needs to function properly.

Currently, the System Development Working Group at the Ministry of Economy, Trade and Industry is discussing mechanisms to secure supply capability looking to the mid-to-long term. We believe that creating an investment environment with increased predictability for capital recovery for

the whole of the power generation business, from maintaining existing power sources to developing new decarbonized power sources, is critical. We will be contributing to the discussions as electricity utilities on how to make the power generation business more attractive. The Nuclear Subcommittee also plans to discuss a wide range of topics from the steady restart and stable operation of nuclear power plants, innovative ways to increase safety, and measures to maintain and strengthen the human resources, technologies and industrial base to prop up nuclear safety.

As electricity utilities, we will continue to pursue a balanced power mix to secure energy security to the maximum extent, and use nuclear power as much as possible with safety as a premise.

<About the nuclear industry's efforts to voluntarily improve safety>

Next, I would like to discuss nuclear power's efforts to voluntarily improve safety.

As I mentioned before, the industry has been voluntarily implementing an array of safety improvement measures under a strong commitment to never let an accident like the Fukushima Daiichi Nuclear Power Station Accident occur again. We will keep on continuously pursuing safety improvements beyond what is required in the new regulatory requirements.

Today, the top management of nuclear operators, and external organizations–Atomic Energy Association (ATENA), Japan Nuclear Safety Institute (JANSI) and Nuclear Risk Research Centre at the Central Research Institute of the Electric Power Industry (NRRC)–gathered together to discuss their roles and the new measures they will be implementing. The following three items were agreed upon as measures that the utilities and organizations will cooperate on.

・Cooperate with ATENA to discuss various common technical challenges

including long-term operation of power plants, conduct technical discussions with the regulatory authorities, and promote the adoption of effective safety measures among nuclear power plants.

・ Cooperate with JANSI to continuously monitor and assess plant performance, and pursue safety at the world's highest level.

・Cooperate with the NRRC to enhance risk assessment methods and apply them to actual power plants, ensure risk-informed decision-making further takes root in the plant, and systematize safety management that uses risk information.

Looking back, almost two years have passed since the new inspection system was implemented. Under the new system, nuclear operators have been actively working on using risk information, assessing plant safety on a performance basis, and improving safety based on the results more so than ever before. High safety standards maintained based on effective safety improvement measures can only be realized with the effort of both the nuclear operators and the regulatory authorities. We will increase understanding of the safety activities through our routine dialogue with the regulatory authorities as part of the new inspection system and actively engage in dialogue with the regulatory authorities together with ATENA. Furthermore, going beyond industry-wide in Japan efforts to increase safety, we are learning from safety improvement efforts implemented around the world by having the World Association of Nuclear Operators (WANO), an international organization comprised of all nuclear power operators in the world, conduct peer reviews of our plants. We hope that the Japanese regulatory authorities will also engage in deeper discussions with regulatory authorities in other countries for both the operators and the regulatory authorities to together pursue safety at the world's highest level.

We nuclear operators believe that using nuclear power generation as an

established zero-emission power source is critical in achieving carbon neutrality in 2050. We will continue to voluntarily pursue safety, establish the nuclear fuel cycle, restart nuclear power plants with improved safety quickly, and work on the long-term operation of the restarted power plants to make as much use of the restarted plants as possible. To that end, we as an industry will communicate with the siting region and the wider public the state of our nuclear power plants and our safety improvement initiatives, including risk information, to recover trust in nuclear power.

This concludes my remarks for today.

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