

Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC Chairman
on March 15, 2024

[Greeting from Chairman Kazuhiro Ikebe]

As I will be stepping aside as the Chairman of the Federation of Electric Power Companies of Japan (“FEPC”) as of the end of this month, I will be reflecting on the last 4 years today.

<Being appointed to Chairman and achieving carbon neutrality in 2050>

I was appointed to the role of FEPC Chairman four years ago on March 14, 2020. Soon after my appointment, Prime Minister Yoshihide Suga declared Japan will be aiming to achieve carbon neutrality by 2050, a significant turning point for Japan amidst a global push toward decarbonization. In May of the next year, the FEPC announced our own basic approach and policy for our efforts to achieve carbon neutrality. As also seen in the development of the 6th Strategic Energy Plan, the momentum for realizing carbon neutrality has grown during my tenure.

<Invasion of Ukraine and energy security>

Meanwhile, in February 2022, Russia invaded Ukraine—countries scrambled to secure natural resources and fuel prices rose sharply on a global level, dramatically changing the landscape surrounding energy. This situation calls back to the 1970’s oil shock in that energy became a strategic good in an emergency, and brought back to light that energy security is, in fact, synonymous with national security.

<Raising electricity rates and supply and demand crunch>

In this environment—as fuel prices rose, creating tough management conditions—many utilities were forced to make the difficult decision of raising electricity rates. As evidenced in the electricity supply and demand crunch warning and advisory issued in March and June of 2022 by the Japanese government, electricity crunches in the summer and winter have become the norm and we have had to ask customers to

conserve energy and use electricity efficiently. Public and private efforts have been made to secure stable supply, with the FEPC cooperating the Transmission & Distribution Grid Council (“TDGC”) and utilities to ask the country to conserve energy, and the government implementing measures to secure additional supply by holding power supply auctions and building a mechanism to secure fuel.

<Process in energy policy>

As the importance of achieving the mission of balancing stable supply and decarbonization grows, the Japanese government made progress in its GX strategy, passing the GX Promotion Act and the GX Decarbonization Power Sources Act in May 2023. These laws made clear the government’s policy to maximize the use of nuclear power on the front end. And on the backend, in a very meaningful transition in our country’s policy, the government made clear that it will take the lead in advancing final disposal and identified measures it needs to implement for decommissioning and reprocessing. But, in using nuclear power, the top priority as always is the pursuit of safety.

<Nuclear safety and management discussions>

On March 11, we commemorated 13 years since the Fukushima Daiichi Nuclear Power Station accident. Last year saw the discharge of ALPS treated water into the sea, marking an important step in our commitment to see through decommissioning, but the importance of voluntarily and continuously improving safety beyond the new regulatory requirements, keeping a watchful eye on the risks, and with a strong commitment to never let an accident like the Fukushima Daiichi Nuclear Power Station accident occur again remains unchanged.

Today, the top management of nuclear operators, and the Atomic Energy Association (“ATENA”), the Japan Nuclear Safety Institute (“JANSI”), and the Nuclear Risk Research Centre at the Central Research Institute of the Electric Power Industry (“NRRC”) gathered together to discuss our roles and the new measures we will be

implementing.

The industry will continue to come together as one and work on improving nuclear power to continue safe and stable operation in our online power plants and accelerate restart for plants which are in the application process.

<Revision of FEPC's committee structure and the FEPC's mission>

Meanwhile, we also caused the public much concern last year, receiving a request from the Fair Trade Commission on preventing the recurrence of violations of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Anti-monopoly Act) and the incident involving the inappropriate viewing of customer information. In regards to the Anti-monopoly Act incident, we regret having acted in a way that aroused such suspicions and apologize again for having caused concern.

We have been implementing improvements, revising our compliance rulebook and creating rules on contact with competitors, and today, on the revision of FEPC committees as part of these improvements. We have decided to abolish the General Policy Committee which had been the discussion forum for a majority of important matters, and have reorganized the 25 committees and councils into 14 committees based on their objective and function.

Under this new organizational structure, the FEPC will continue to intrepidly work to balance stable supply of electricity with the realization of carbon neutrality in order to achieve the mission of developing a sound electricity business and contribute to the development of Japan's economy and improvements the lives of the Japanese people.

<Response to the Noto Peninsula Earthquake>

Japan recently experienced the Noto Peninsula Earthquake, which caused extensive damage. In response to the outages that followed, the Hokuriku Electric Power Company ("Hokuriku EPCO") worked tirelessly to recover power, and utility companies came together as an industry and rushed to support recovery from across

Japan as per the Emergency Cooperation Plan.

Despite the scale of the disaster, functions to “Stop, Cool, and Contain” the Shika Nuclear Power Station were uncompromised, and the safety of the plant as a whole remained secure. Defense in-depth initiatives such as the multiplexing of external power and diversification of power sources based on the lessons of Fukushima Daiichi Nuclear Power Station accident were also effective. However, we know learning from knowledge and findings and making improvements is important, and will be verifying the challenges related to this earthquake as an industry to inform future initiatives.

I could go on—looking back, it has been a very eventful four years. Though I see even more important stages beyond the horizon for the industry, I see this four-year mark to be a natural end of one chapter, and have decided to pass on the baton of Chairman to the next person.

As I mentioned in the last press conference, I believe one of the important duties of a FEPC Chairman is to serve as the industry spokesperson. And I would like to take this opportunity to express my sincere gratitude to the Energy Press Club and the media for their cooperation in that capacity. Thank you.

<Expectations for the new Chairman>

I’ll be passing the baton to President Kingo Hayashi, whom you all know. He is very well informed in all aspects of the electricity business through his extensive experience in a wide range of areas. In the four years since he’s taken on the mantle as the President of Chubu Electric Power Company (“Chubu EPCO”), he’s used his inborn leadership to tackle various management challenges. In today’s General Policy Committee, I proposed President Hayashi be appointed the next Chairman, and he was voted in unanimously. I’m fully confident that he is the man to lead the industry and guide it in the right direction.

The energy industry will be facing several key phases in the upcoming years. As I mentioned in my new year's resolution in the January press conference, I hope the FEPC, under President Hayashi's leadership, will rally the industry in order for it to take the next step toward the next phase.

I will be leaving the post of FEPC Chairman at the end of this month but as the President of Kyushu Electric Power Company and a member of the industry, I will support the new Chairman and cooperate with the people in the industry to solve challenges that come our way.

[Greeting from Chairman Kingo Hayashi]

I'm Kingo Hayashi from Chubu EPCO, just introduced by Chairman Ikebe. I have been appointed the Chairman of the Federation of Electric Power Companies of Japan (FEPC). I'm looking forward to working with the Energy Press Club and the media at large.

Chairman Ikebe has tackled range of issues and led the industry with his natural-born drive and leadership over a long four years as the environment surrounding the industry underwent a sea change. I want to take a moment to appreciate his efforts and performance.

As mentioned by Chairman Ikebe, I expect 2024 to be a very important year for the energy industry. On the policy side, the Strategic Energy Plan will be undergoing a revision and the verification of the electricity system reform has started. We will be participating in these discussions as the parties on the ground to build a sustainable energy and electricity system that can support the country and the lives of the people now and into the future. As utilities, there are issues that we must tackle and make steady progress on together as an industry such as the restart of BWR plants and the completion of the Rokkasho Reprocessing Plant, in addition to securing stable supply on the daily.

I'm humbled by the responsibility of serving in the important role as FEPC Chairman in this critical moment, and am committed to giving it my all. I will cooperate with the presidents of the utilities to rally the industry and solve the mounting challenges one by one. And I will also do my best to do my part to contribute to Japan's economy and the good living of the Japanese people.

To those in the media, I look forward to working with you starting next month.

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