

Summary of Press Conference Comments Made by Kingo Hayashi, FEPC

Chairman on December 19, 2025

I am Kingo Hayashi of the Federation of Electric Power Companies of Japan. This is the last press conference of 2025.

Before we broach the main topics for today, as the President of Chubu EPCO, I want to touch upon the resignation of Chubu EPCO's director in charge of nuclear power a few weeks ago.

Chubu EPCO found that construction work at the Hamaoka Nuclear Power Station had been proceeding without formal contract changes or settlement procedures being carried out when the work was ordered. I deeply and sincerely apologize as the President of Chubu EPCO for causing concern to the local residents and society at large.

I deeply regret letting such an incident that causes concern to the local community and the public occur, and take the issue seriously as the President of Chubu EPCO.

I believe it is the responsibility of management to swiftly ensure that an internal control system and governance are functioning appropriately and to operate the nuclear power generation business in a way that garners trust from society under the new executive structure.

Chubu EPCO is currently investigating the full scope and cause of the incident in light of the national government's request for reports. I will personally take the

lead in thoroughly investigating the cause.

We will redouble our efforts to gain the trust of the local community.

Today, I would like to reflect on the past year and share our resolutions for 2026.

With one week remaining in 2025, this year has seen major developments in the energy industry and other sectors, both domestically and abroad.

Outside Japan, President Trump was elected on a platform of “America First.” Policies to promote US interests, were advanced under his leadership such as levying tariffs and exiting international cooperative frameworks.

As a result, uncertainty around the security framework, free trade, and decarbonization has increased following disruptions in the international order as tensions grow between Russia, China, and other major powers.

Regulations around exportation of advanced technologies and resources were tightened, and countries strengthened their supply chains for semiconductors and rare-earth elements as instability in the international order grew.

In the energy sector, countries around the world revisited nuclear power and sought to secure LNG. Countries accelerated efforts to strengthen security across economic, technical, and energy sectors.

Domestically, the ruling parties also failed to secure a majority in the House of Councillors election, following a similar loss of seats in the House of Representatives. Democratic Party for the People, Sanseito and other parties

grew their seats in a trend toward a multi-party system. With Komeito withdrawing from the coalition government that had held for 26 years, the Japanese political landscape remains unstable.

The government under Prime Minister Sanae Takaichi, the first female Prime Minister for Japan, is taking an expansionary fiscal policy in pursuit of balancing economic growth with supporting the Japanese people's livelihoods through policies such as subsidizing electricity and gas prices and abolishing the provisional surcharge on the gasoline tax.

As one such measure, the Headquarters for Japan's Growth Strategy established by the government announced 17 growth strategy areas for Japan. The inclusion of "resource and energy security, GX, and fusion energy" in these areas again serves to highlight the importance of the energy sector that underpins Japan's economic growth.

I believe the cabinet approval of the 7th Strategic Energy Plan and the GX2040 Vision in February of this year was an important backdrop to these policy movements.

And with the publication in March of the summary of the Electricity System Reform verification results, 2025 was a year in which a new direction for Japan's energy policy was set.

Japan unfortunately has seen domestic investment stagnate and its economic standing decline. To break out of this situation, Japan must develop new technologies, and transform its industrial structure to one that can create high

additional value and increase its national strength.

Development of a resilient energy supply as the foundation for such an industrial structure is crucial. In the 7th Strategic Energy Plan and GX2040 Vision, energy security and stable supply were set as the priorities as electricity demand is projected to grow.

These plans were significant in that the Japanese government set out its commitment to economic growth, based on the view that industrial policy and energy policy should be integrated, in this uncertain environment.

Meanwhile, the electricity supply and demand scenario published by OCCTO in June set out alarming projections of potential supply capacity shortages.

With rising material costs and labor shortages, there are also concerns regarding stagnation in capital investments. As a result, in some cases, it has become difficult to continue power generation projects, such as offshore wind power projects.

In this environment, the government review committee hosted on the 17th this week shared a policy direction for developing an appropriate business environment for energy. This very important policy direction must promptly be translated into concrete policy measures and implemented.

We hope the government will set an order of priority for these policy measures and implement them with a sense of urgency.

There was also major progress made in nuclear power toward the goal of achieving stable supply and decarbonization at the same time.

First, Kansai EPCO restarted its voluntary survey to consider the feasibility of installing a successor unit at Mihama Nuclear Power Station. For future stable supply, it is important to replace nuclear power plants, which are a stable decarbonized power source, and to continue to use them.

Kansai EPCO restarting the survey is very meaningful event.

Second, understanding of nuclear power within the siting communities of Hokkaido EPCO's Tomari Nuclear Power Station and TEPCO HD's Kashiwazaki-Kariwa Nuclear Power Station deepened, supporting progress toward restart.

Even in the short-term, including this winter and next summer, electricity supply and demand are expected to be tight. As electricity demand is expected to increase, nuclear power plants restarting will have a large positive effect on the ability to secure stable electricity supply and realize decarbonization.

I hope each company will sincerely acknowledge the local community's decision, and continue to pursue a higher level of safety and work carefully to gain the understanding of the siting community.

As nuclear power operators, we will continue efforts to pursue a higher level of safety and discuss the possibility of restarting other existing reactors, improving operating rates, and replacing reactors.

Looking back on this year, there has been a surge in uncertainty and concerns about securing a stable supply both domestically and internationally. As a result, concrete discussions on energy policy and progress in the nuclear power sector took place alongside efforts to strengthen energy security.

I believe 2025 will be seen as a turning point when we look back on Japan's energy landscape in the future.

Looking toward the future, the launch of GX-ETS (Green Transformation Emission Trading Scheme) is planned for next year. As discussed in the Emissions Trading Subcommittee the other day, there are some uncertainties around it for example, in terms of how the costs will be borne.

There is also uncertainty around various other factors such as changes in the international trend toward decarbonization. In this environment, we as electricity utilities are tasked with securing the foundation of a stable supply which underpins the Japanese people's livelihoods and Japan's economic growth. To this end, we must make the coming year one in which we stay firmly on the ground, resist being swept up by changes in the environment, and address challenges one by one.

With this in mind, I want to make next year "a year to make steady progress looking toward the future."

There are many challenges in the way of achieving stable supply and GX at the same time. We will tackle all immediate challenges and measures looking toward the future, such as promoting renewable energy, maximizing the use of nuclear power, and phasing out from low-efficiency coal-fired thermal power while

maintaining the necessary supply capacity, and continue to fulfill our role.

This concludes my remarks for today.

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