

Summary of Press Conference Comments Made by Nozomu Mori, FEPC
Chairman on April 10, 2026

I am Nozomu Mori of the Federation of Electric Power Companies of Japan.

Today, I would like to address two topics:

1) the report to the national government on the incident at Chubu Electric Power Company's Hamaoka Nuclear Power Station, and 2) designing a system for fostering an appropriate business environment given the recent events in the Middle East.

First, regarding the incident at Chubu EPCO's Hamaoka Nuclear Power Station, Chubu EPCO submitted a report on March 31 to the Ministry of Economy, Trade and Industry (METI) and the Nuclear Regulation Authority (NRA).

This report summarized matters that have been recognized or reported as fact and outlined the direction that Chubu EPCO intends to take in addressing the incident.

The investigation by the third party committee established within Chubu EPCO is ongoing, and the background and causes of this incident are still being investigated.

As I noted the other day, I consider this incident to be a serious event that could undermine the foundation of the nuclear power business.

The Federation of Electric Power Companies is identifying good practices from the compliance initiatives being implemented by the nuclear power division of each utility, and working to establish a mechanism to share and roll out these practices to other utilities. We will continue to keep a careful eye on the ongoing Chubu EPCO investigation, and will cooperate with ATENA to develop measures to address the incident and foster a safety-first mindset.

Next, I would like to discuss the national government's discussions around designing a system for fostering an appropriate business environment.

The government's Next-Generation Electricity and Gas Business Infrastructure Subcommittee recently compiled its policy for system design given the discussions around electricity system reform.

This policy included items to foster an appropriate business environment such as securing financing for investments into power sources to secure supply capacity, which is an issue that utilities had been pursuing.

When the fuel costs rose sharply in response to the Russian invasion of Ukraine, some retail operators exited the market, causing supply uncertainties among customers. Taking this into account, the policy also requires retail operators to secure a certain level of supply capacity.

I believe these were necessary discussions to secure a stable supply of electricity in the long-term, unconstrained by the assumptions that underpinned system reform when it first began.

At the same time, it was agreed that the rates for transitional measures would be discussed in greater detail in future deliberations. To build a sustainable electricity system, a virtuous cycle where appropriate costs are recovered and invested into future power sources needs to be established, in order to maintain the electricity-related industry's supply chain.

The current surge in fuel costs, the introduction of GX-ETS, obligations under the Act on Sophistication of Energy Supply and Demand Structure, and other decarbonization-related policies are expected to increase the burden on retail operators. Accordingly, a mechanism must be established that flexibly reflects the costs of addressing these changes in societal structures onto the transitional measures rates. We urge the government to promptly deliberate and determine how the transitional measures rates will be addressed to ensure it remains aligned with other measures.

We believe the policy set forth here will be discussed in further detail by the government in council meetings, and necessary measures will be translated into concrete measures, including on the legal front. We ask that the government deliberate in greater depth to ensure the policy is reflected onto concrete measures in the near future.

Finally, I want to touch upon our response to the recent events in the Middle East. The risks of fuel shortages and price hikes have materialized due to the temporary closure of the Strait of Hormuz. Resource-poor Japan is being pressed

to diversify its energy sources as well as its suppliers and sources of fuel.

To mitigate the risks of supply disruption and price increases, it is essential to diversify suppliers and fuel types for thermal power in addition to maximally utilizing renewables and nuclear power.

This situation has once again highlighted the importance of securing the thermal power generation supply chain. Taking this as a lesson, necessary responses in emergencies must be examined, without being constrained by existing policies. For example, in Europe, there have been moves to flexibly review energy policies. The President of the European Commission, Ursula von der Leyen, announced a policy to revise the EU Emissions Trading System in the EU summit meeting held in March of this year. The European Commission is expected to submit a proposal to update the EU-ETS by July, which includes the extension of free allocation.

In this way, there have been additional discussions on securing a stable supply, controlling prices, decarbonization policies and how to balance them overseas.

Japan must also carefully consider how to protect both people's livelihoods and industry, and determine what should be prioritized to sustain the country's strength. We urge the government to set clear policy priorities for securing a stable energy supply and advancing decarbonization, and to operate systems flexibly from a broad, long-term perspective.

As utilities, we will work to steadily resolve the variety of challenges facing the industry, cooperating with the government as needed.

This concludes my remarks for today.

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