

Main questions and answers at FY2020-2Q Financial Results Briefing

Q. When will you announce the forecasts of consolidated financial results for FY2020 and Year-end dividends? Considering the circumstances of the trial, it seems difficult to restart Ikata No. 3 Unit within this fiscal year. Regarding the reason for not having decided yet, are there any factors that should be considered other than the timing for restarting Ikata No. 3 Unit?

A. We have not decided on the forecasts of consolidated financial results for FY2020 and Year-end dividends because of the difficulty in predicting the timing for resuming operation of Ikata No. 3 Unit. However, concerning the objection to the Hiroshima High Court's provisional disposition ruling against operating the unit, the court held a consultation on the progress on October 26, and stated that it would issue a decision next March. Considering that the time limit for the installation of facilities for Specialized Safety Facility is March 22 next year, we understand that restarting operation within the fiscal year will be difficult, and that we are now carefully examining the FY2020 financial results. We will let you know as soon as our review is finished.

Q: In relation to Prime Minister Suga's statement regarding achieving "carbon neutral by 2050," is it correct to think that a power source composition based solely on nuclear and renewable energy is feasible? If thermal power generation is retained, what approach will you take?

A. Achieving carbon neutral by 2050 is a very challenging goal. We believe that responding to global warming is particularly important, and therefore while making more efforts on the current initiatives, such as promoting electrification and low carbon power sources, we are also going to actively examine new technologies.

In the future power source composition, nuclear power and renewable energy, which are CO₂-free power sources, are important, and thus, we are focusing our efforts to ensure stable operation of nuclear power and to increase the use of renewable energy. For renewable energy in particular, our goal is to develop 500 MW by FY 2030, and since November we have been reinforcing our organizational structure to speed up our efforts to achieve that.

Further, given that power output is unstable with the current technology due to the characteristics of renewable energy, to enable greater use of renewables, thermal

power generation with adjustment capability will become more and more important in the future. For this reason, in the immediate future, we will work to promote high efficiency by phasing-out inefficient coal-fired power plants. In the medium to long term, in addition to using hydrogen and ammonia and developing new technologies, such as Carbon dioxide Capture and Storage (CCS), we will make efforts to effectively use power sources by utilizing storage batteries and Virtual Power Plants (VPPs) and further promote electrification.

Q. What is the status of discussion of the next medium-term management plan (FY 2021 to FY 2025)?

A. We have finalized the framework, and are now asking those working in the field for their opinions. In drawing up the plan, we want to incorporate the discussion on the phasing-out of inefficient coal-fired power plants and the long-term direction of CO2 reduction suggested by the central government into the plan. Quantitative targets and dividend policies are under review based on the current medium-term management plan.

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