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## Steady Growth of Japanese Nuclear Industry Continues: Outline of JAIF 49<sup>th</sup> Annual Nuclear Industry Survey for Fiscal 2007

The Japan Atomic Industrial Forum, Inc. (JAIF) (Chairman: Takashi Imai), has recently completed the outline of its 49<sup>th</sup> Annual Nuclear Industry Survey, surveying the situation of the Japanese nuclear industry during FY07 (April 1, 2007, to March 31, 2008).

In the year under review, steady progress was made in the construction of the Tomari-3 and Shimane-3 Nuclear Power Stations (NPSs), with improvement work (to enhance earthquake resistance, etc.) and replacement work also being conducted on other reactors. Worldwide, many countries are plan to build new nuclear power plants (NPPs) to deal with global climate change and stabilize their energy supplies, among other reasons, marking nuclear power's return.

Under such circumstances, the results of the FY07 survey showed marked increases in all major categories from the year before, including nuclear-related expenditures by the electric utility industry, nuclear-related sales and fiscal year-end backlogs in the mining and manufacturing sector, and the number of nuclear-related workers in private industry. The Japanese nuclear industry thus continued on its path of steady growth as seen in recent years.

—*Electric Utility Industry Increases Nuclear-related Expenditures for First Time in Three Years – Exceeding ¥1,800 Billion (\$18.2 Billion)*

Nuclear-related expenditures by the Japanese electric utility industry for the year under review expanded to ¥1,841.3 billion (approximately \$18.6 billion at \$1=¥99), up 9.3% year-on-year, for the first such increase in three years. Although operation and maintenance expenses fell (down 3.6%), both nuclear fuel costs and construction costs rose (up 27.7% and 36.7%, respectively).

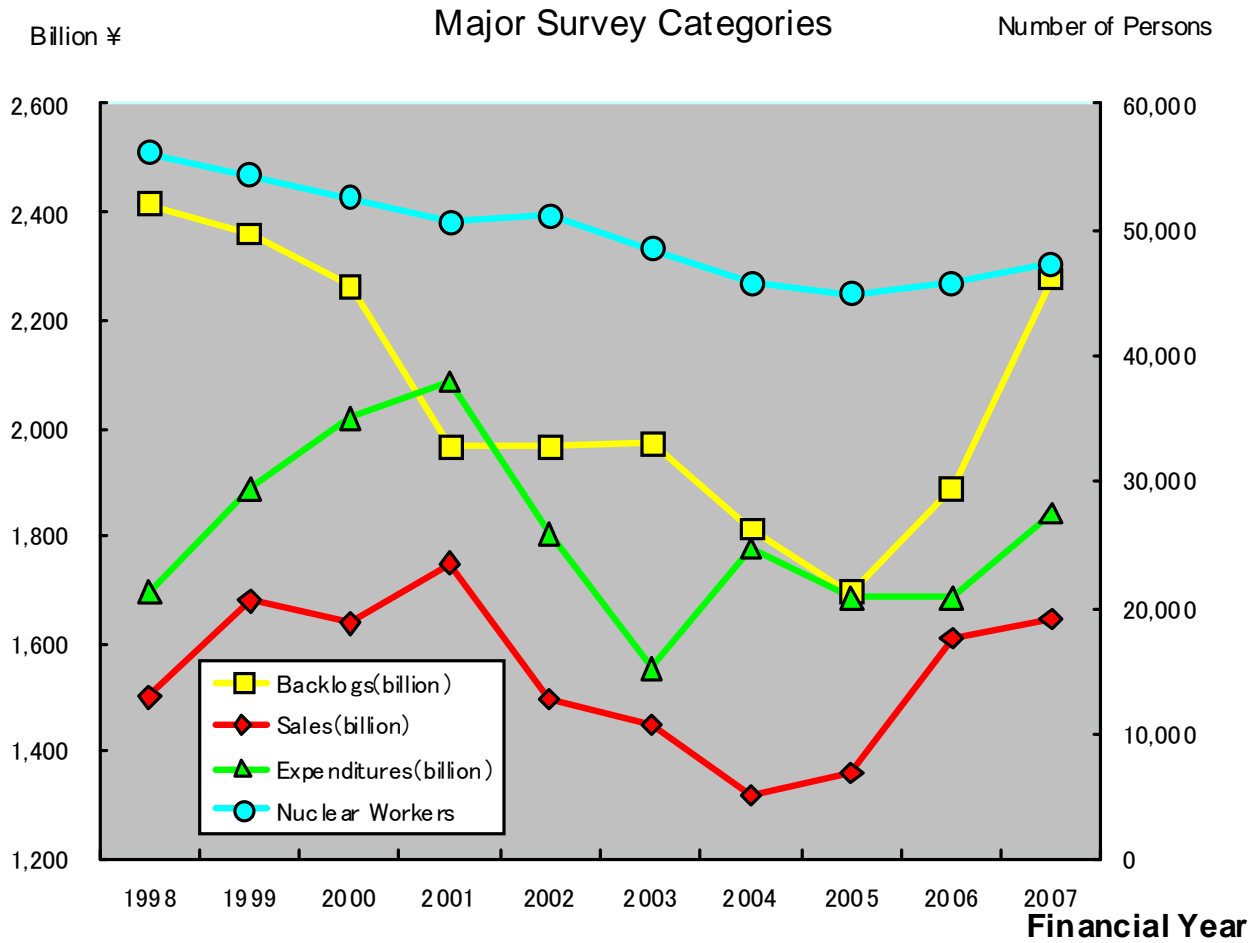
In the mining and manufacturing sector, nuclear-related sales grew 2.5% to ¥1,648.3 billion (approximately \$16.7 billion), marking

their third consecutive yearly increase. FY07 sales of power-reactor equipment climbed 15.1%, while other production sectors such as maintenance rose by 6.2%.

The total nuclear-related backlog in the mining and manufacturing sector at the end of the fiscal year (March 31, 2008) increased sharply, up 20.8% to ¥2,277.3 billion (approximately \$23.0 billion), for the second straight year of growth. While overall backlog levels generally continued their downward trend, solid increases were seen in reactor equipment (up 19.9%), fuel-cycle equipment (up 19.6%), and generation and transmission equipment (up 13.0%), boosting the nuclear-related backlog above ¥2 trillion (approximately \$20.2 billion) level for the first time in seven years.

—*Number of Nuclear-related Workers in Private Sector (Electric Utilities, and Mining and Manufacturing Companies) Grows to 47,335, Up 3.2%*

The total number of nuclear-related workers in private industry – i.e., nuclear-related employees of electric utilities, combined with those at mining and manufacturing companies – rose for the second straight year, expanding 3.2% to 47,335. The number of workers at electric utilities is being expanded each year according to plan, and grew substantially in FY07 by 413 to 11,218 (among whom 9,282 are technical workers, up 318), for the seventh consecutive year of growth. Meanwhile, the number of nuclear-related workers in the mining and manufacturing sector increased by 1,037 to 36,117 (among whom 26,166 are technical workers, up 1,037), up for the second straight year.



**– Purpose of the JAIF Annual Nuclear Industry Survey –**

Conducted annually since 1959, the JAIF Annual Nuclear Industry Survey analyzes the economic performance of the Japanese nuclear industry throughout the year under review, aiming to use the analysis to aid in the sound development of the industry, while providing basic data to concerned parties in relevant fields.