

49th JAIF Annual Conference

Keynote Address by Chairman Imai

It gives me great pleasure today to make a few remarks welcoming you to the 49th JAIF Annual Conference.

Introduction

More than five years have passed since the giant earthquake of 2011, the Great East Japan Earthquake, which caused the accident at the Fukushima Daiichi Nuclear Power Station.

Residents evacuated from the area of the reactor site are gradually starting to return home, thanks to such development as the evacuation order having been lifted at Naraha Town, for instance. Those inhabitants evacuated the town at the time of accident. But around 100,000 people as a whole are still in the evacuation life apart from their beloved hometowns. I would like to share with you all here my heartfelt sympathy toward them.

Also, it is an urgent need for Japan to be freed from the current situation in which people suffer from groundless rumors about local farm and marine products, which have led some neighboring countries to impose import restrictions from the area.

This Year's First Task: Accelerating the Restart of NPPs

At the COP21 last December, Japan joined the framework of the Paris Agreement, which set a goal of reducing greenhouse gas emissions by 26% from their 2013 level.

One of the key conditions for achieving this goal is the role of nuclear power, which is expected to account for some 20 to 22% of total generated electricity in Japan in 2030.

Twenty six NPPs in the country have applied for safety reviews for their restart on their compliance with new regulatory standards. However, the reality is that only 5 have gone through the review so far, out of which just 4 resumed operations.

Furthermore, in order for Japan to meet the goal of reducing its carbon emissions—a promise the country has made to the world—it is essential to expedite the process of restarting the NPPs of the country.

It should be noted that boiling water reactors (BWRs), which account for about half of all NPPs in the country, but not a single unit has cleared safety reviews for compliance with the new standards yet. For that reason, I believe that restarting BWR plants will be the key to the revival of nuclear power in Japan.

In the meantime, the district court imposed a provisional disposition late last month to hold operation of Takahama Units 3 & 4, both of which had restarted shortly before. Besides building up a solid record of safe operation of restarted plants, the industry must also prepare to make full explanations about safety, both for the Japanese public and the arena

of the Japanese judicial system.

We would like to hope the Japan's Nuclear Regulation Authority (NRA) expedite its review process based on its accumulated experience of earlier reviews. It is also important for the Japanese government to take the initiative in drawing up evacuation plans and getting understanding of the Japanese public, in order for those NPPs to clear the world's most restrict regulations so that those plants could restart on a firm and smooth basis.

Also, for Japan to continue to utilize adequate scale of nuclear power in the future, it will be necessary not only to restart reactors but also to review the currently regulated operational lifetime limit of 40 years for reactors, as well as to construct new NPPs.

Such discussions cannot be procrastinated.

This Year's Second Task: The Nuclear Fuel Cycle

Moving to the next topic, let me talk about the economic environment surrounding nuclear power and the nuclear fuel cycle.

First about the deregulation of Japan's retail electricity market, which started early this month, on the first day of April.

Conventionally, Japan's electricity market was regulated in regional basis. In each region, a single power company monopolized the market, but now new operators are entering the regional electricity market on a competition basis.

That will tend operators to look things from shorter-term perspectives. But nuclear power is a business in which things take place over a long stretch, starting with the construction and operation of nuclear reactors and shifting to decommissioning and spent fuel treatment and/or disposal.

The retail electricity market has been deregulated. In this circumstances Japan must get its act together by developing a basic plan and well-planned policy for issues that need to be tackled strategically with a long-term perspective.

Secondly, concerning the nuclear fuel cycle, the Rokkasho Reprocessing Plant operation has also an important role for nuclear power business to be deployed in a stable fashion in the future. By completing the nuclear fuel cycle, the plutonium extracted from spent fuel will be used again as nuclear fuel in the form of MOX (uranium-plutonium mixed oxide). Measures to deal with high-level radioactive waste (HLW) also need to be firmly implemented.

It will be especially crucial to show a highly-transparent plan to the world for utilizing separated plutonium in balance with consumption as by increasing use of MOX fuel.

The Future of Energy Is the Future of a Country

The securing energy resources and global warming are a growing issue in the world, owing to the increase in the global population and the economic development of emerging

countries. Even after the accident at the Fukushima Daiichi Nuclear Power Station, many countries are choosing a nuclear power option, with a view to the future of the country.

Some 60 years ago, Japan, which lacks energy resources, adopted a policy of using nuclear energy, and since then has constructed NPPs continuously. Japan's nuclear power technologies and human resources accumulated in its history over this period are highly expected for contribution worldwide. It is therefore Japan's mission to contribute to the world through that technology.

Additionally, for Japan to lead the world in the field of nuclear power as a technology-oriented nation, it is necessary to develop human resources in the next generation, while developing and accumulating high-caliber technology which can take a leading initiative in using nuclear energy in the world.

To think the future of energy in a country, including nuclear energy, is equivalent to think the future of the country itself.

I do believe that the way to regain the trust of the Japanese people, once we are determined to continue using nuclear power after having learned lessons from the Fukushima Daiichi accident, can be facilitated by rediscovering the values inherent to nuclear power by looking ahead toward the future of the nation.

In the world today, countries are opting a variety of energy policies: Germany has significantly boosted its dependence on renewable energy, having decided to phase out nuclear power altogether; the UK is constructing new NPPs, by institutionalizing a system of guaranteeing strike prices; Meanwhile, the United States maintains nuclear power, with some states having deregulated their electricity markets and some others that have not in coexistence.

It will be highly useful for Japan to learn from strategies and experiences in those countries. They will be a useful guide, when Japan thinks of its own energy future.

The Theme Selected for This Year's Conference

With this background, this year's JAIF Annual Conference focuses the discussion on the "Energy for Us—Embracing Our Energy for a Better Future." The conference should provide an opportunity for us to reconfirm the value of nuclear power, while considering the direction that Japanese society should aim for and overall energy issues that will help us to explore how to share it with the Japanese public. The Conference will also facilitate viewing things from the perspectives of global energy security and the issue of climate change.

About the Conference Sessions

Following the Opening Session, Session 1 "The Energy the World Expects" will discuss the experiences and strategies of key countries with their diverse energy policies.

Next, tomorrow's Session 2 "Future Japan and Energy Issues" will aim to seek out new

values of nuclear energy by deliberating the desirable form of Japanese society in the future.

Additionally, there will be another special session later today, entitled “Hamadori Today, Leading the Way to the Future.” Invited local industry representatives will share with you the current situation at Fukushima and think together what must be done to create a better future.

Closing

Before ending my remarks, I would like to take this opportunity to express my deep gratitude to all of you here, by taking time out of your busy schedules for participating in the JAIF Annual Conference today, .

I do hope our concerted efforts of the nuclear community will allow us to cope with the current difficult circumstances.

That closes my remarks. Thank you for your kind attention.

END