

# **Japan - Tepco shareholders meeting: apologizes for Fukushima, protests over financial losses, but all proposals against N-plants rejected**

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## **Shareholders hammer Tepco over nuclear fiasco Management gets six-hour earful on losses, tsunami failings**

Tokyo Electric Power Co. faced a six-hour barrage of heavy flak from shareholders Tuesday at their annual meeting, with management blasted over how it has handled the world's worst nuclear accident since the 1986 Chernobyl disaster.

Many investors demanded to know why Tepco failed to foresee the tsunami risk at the Fukushima No. 1 nuclear plant, which was knocked out by giant waves after the March 11 quake. Fuel rods have melted at three of the plant's reactors.

The quake and tsunami claimed more than 23,000 lives and devastated farms and ports along the Tohoku coast, and the radiation-spewing reactors have caused widespread evacuations.

"Why didn't you take adequate tsunami precautions? Were you just leaning back in your chair?" one shareholder asked Akio Komori, one of the executives who formerly ran the stricken nuclear plant.

Another investor shouted that Tepco's executives should jump into their stricken reactors and die to take the blame for the fiasco.

The utility apologized repeatedly throughout the six-hour confrontation for causing the accident and said it is doing its utmost to secure the safety of workers and the environment around the crippled plant based on laws and expert advice.

The gathering - attended by a record 9,300 shareholders - grew turbulent as investors fired endless questions, then shouted down and booed management.

Once viewed as a safe investment, Tepco's stock price was ¥2,121 on March 11. It had plummeted to ¥317 as of Tuesday morning.

Although it was voted down, 402 shareholders submitted a motion demanding that Tepco not build any more atomic plants and decommission its existing plants step by step.

"I was living about 20 km from the plant and had to evacuate . . . my life was thrown into disarray in an instant," said one of the shareholders who submitted the proposal.

Many also demanded that management be held responsible, with some saying executives should relinquish their salaries and Tepco employees' corporate pension benefits should be slashed to help the company generate its compensation costs.

"Do you think you are qualified to receive a salary and pension?" one shareholder asked.

Tepco said the company will consider pension cuts but didn't give a clear answer regarding worker salary cuts.

The utility plans to cut ¥500 billion in operating costs this fiscal year.

Shareholders were also eager to know Tepco's nuclear plans down the road.

"The first thing we have to do is get the accident under control. Then we'll have to see the outcome of discussions by outside committees investigating the causes of the accident, and gauge the country's energy policy going forward. And we also need to talk to residents around our nuclear plants," Tepco President Masataka Shimizu said.

By **KAZUAKI NAGATA**, *Japan Times* Staff writer, June 29, 2011

<http://search.japantimes.co.jp/cgi-bin/nn20110629a1.html>

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## **All Proposals against N-Plants Rejected at Shareholder Meetings**

Tokyo, June 29 (Jiji Press)—Proposals to end nuclear power generation or ban the construction of new nuclear plants or reactors were submitted to this year's general shareholder meetings of six major Japanese power suppliers, but none of the proposals was approved.

The six firms are Tokyo Electric Power Co. Tohoku Electric Power Co., Chubu Electric Power Co., Kansai Electric Power Co., Chugoku Electric Power Co. and Kyushu Electric Power Co. The six and four other major power firms held their shareholder meetings Tuesday or Wednesday.

This year's meetings drew keen attention after the March 11 earthquake and tsunami heavily damaged TEPCO's Fukushima No. 1 nuclear plant in northeastern Japan and led to massive leaks of radioactive materials from the plant.

Shareholders focused on the safety of nuclear power plants in the wake of the worst nuclear disaster in Japan. TEPCO's meeting was attended by a record 9,300 shareholders and lasted for some six hours, the longest on record.

Many shareholders demanded that the nuclear power generation be scrapped. Meanwhile, executives of the power firms responded by saying that they are making efforts to ensure safety.

**Jiji Press**, June 29, 2011

<http://jen.jiji.com/jc/eng?g=eco&k=2011062901049>

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## **TEPCO apologizes over nuclear crisis at shareholders meeting**

TOKYO (AP) — Executives at the Japanese utility behind the nuclear power plant sent into meltdown by the March quake apologized Tuesday to investors who repeatedly interrupted the annual meeting of shareholders with heckles, yells and outraged questions.

Tokyo Electric Power Co. Chairman Tsunehisa Katsumata promised that the company was doing its utmost to bring radiation leaks under control. He said it would speedily compensate people forced to evacuate the area around the Fukushima Dai-ichi plant and farms whose products were banned because of radiation contamination.

“All of us directors apologize deeply for the troubles and fears that the accident has caused,” he said at a Tokyo hotel. “The entire group will work together to resolve this crisis as soon as possible.”

But the meeting was punctuated by outbursts of emotion, as one by one, shareholders, their voices shaking, said the utility had ignored warnings about the dangers of nuclear power, the Fukushima Dai-ichi nuclear plant had been inadequately prepared for a tsunami, and the amount of radiation spewing into the air and water had not been fully disclosed.

One shareholder cried out that the executives should all jump into the reactor and die to take responsibility for the fiasco. Several others demanded they give up their entire pay. Another screamed that all they deserved was “seppuku,” or ritual self-disembowelment.

The disaster at Fukushima Dai-ichi has erased about 90 percent of the value of TEPCO stock, once considered a safe investment, and stock owners are getting no dividends. It closed Tuesday up 0.3 percent at 317 yen.

Fuel rods have melted at three of the plant’s reactors after a March 11 earthquake set off a tsunami that knocked out cooling systems, causing the world’s worst nuclear crisis since Chernobyl. The quake and tsunami killed more than 23,000 people and damaged farms, ports and hundreds of suppliers of parts to the auto and electronics industries.

Leaking radiation forced the evacuation of thousands of residents, and the perilous struggle to contain the reactors is expected to continue into next year.

Despite the anger, many of those attending the meeting welcomed executives’ remarks with enthusiastic applause.

They quickly defeated with a show of hands the first proposal from a shareholder, who demanded Katsumata be replaced in chairing the meeting by someone else, who could better address the nuclear crisis.

The top shareholders of the utility include Japanese financial institutions and the Tokyo metropolitan government.

Katsumata said management already had a majority of votes from those who had sent them in by writing or the Internet. That meant the company had no problems defeating a proposal from 402 shareholders that demanded TEPCO abandon nuclear power.

But the outrage from the public was clear by the frequent shouting. Reporters were not allowed to attend the meeting, which drew more than 9,300 people, about three times usual, but could watch the proceedings from a monitor at TEPCO headquarters. The meeting lasted six hours, about twice as long as a record long meeting a decade ago.

Although most of the executives' remarks were routine, addressing earnings and power supply, the shareholder who demanded a different chair, stressed that an apology and promises were not enough and said the whole world was suffering from the nuclear disaster. She did not give her name.

TEPCO President Masataka Shimizu, who has already announced his resignation to take responsibility for the disaster, told shareholders that the company was targeting mid-July to decrease the radiation leaks at Fukushima Dai-ichi under "step one," and to bring the leaks under control under "step two" in three to six months time after that.

The crisis has raised serious questions about the lax oversight of Japan's nuclear industry and prompted the country to scrap plans to rely on nuclear power for one half its electricity needs — up from its current one third.

The utility has come under criticism as bungling and slow in responding to the crisis. Some of the data it disclosed about radiation leaks turned out to be erroneous, and it did not admit to a meltdown for weeks, raising suspicions about a lack of transparency.

Renewed safety fears have caused the government to shutter the Hamaoka nuclear plant in central Japan, a region where there is a 90 percent probability of a major earthquake in the next few decades.

TEPCO's losses for the fiscal year ended March 2011 totaled 1.25 trillion yen (\$15 billion) — one of the biggest annual losses ever in corporate Japan. TEPCO had a profit of nearly 134 billion yen the previous fiscal year.

Those results accounted for massive losses the utility booked from the disaster. But overall losses from the disaster are expected to be far bigger, including compensation for the thousands of people forced to evacuate from their homes around Fukushima Dai-ichi, and businesses such as farms that say products were damaged by radiation.

The company plans to sell assets to secure more than 600 billion yen (\$7.4 billion) in funding but has acknowledged it likely faces more damage payments.

It reiterated that it was counting on some government aid.

AP, June 28, 2011

<http://mdn.mainichi.jp/mdnnews/news/20110628p2g00m0bu048000c.html>

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## **TEPCO damages bill may exceed 38 years worth of nuclear power profits**

TOKYO (Kyodo) — Tokyo Electric Power Co., operator of the crisis-hit Fukushima Daiichi nuclear power station, faces a potential damages bill exceeding its profits from nuclear power generation over a 38-year period beginning in 1970, the year it opened the plant, according to a recent study.

Kenichi Oshima, an environmental economist and professor at Kyoto-based Ritsumeikan University, estimates that the utility firm known as TEPCO in that time earned less than 4 trillion yen (about \$49.5 billion), possibly equal to or less than the amount it must pay farmers, fishermen, evacuees and others affected by the nuclear crisis.

Oshima also found that the cost of nuclear power generation is higher in Japan than that of hydraulic and thermal power, contrary to a widely disseminated government estimate.

By analyzing TEPCO's financial statements, Oshima put its cumulative profits from its nuclear power business at 3,995.3 billion yen between the business years of 1970 and 2007, ending in March 2008. TEPCO operates three nuclear power plants — the six-reactor Fukushima Daiichi, four-reactor Fukushima Daini and seven-reactor Kashiwazaki-Kariwa plants.

The amount of damages TEPCO needs to pay is not yet known but is expected to reach at least several trillions of yen. Some financial institutions put the figure at 8 trillion to 11 trillion yen.

The cost of power generation per kilowatt hour came to 10.68 yen for nuclear power, 9.90 yen for thermal power and 7.26 yen for hydraulic power on average during the 38-year period, when expenses for disposal of radioactive waste and subsidizing local governments hosting nuclear plants are added to direct costs, he said.

The cost of nuclear power rose to 12.23 yen per kwh when pumped-up water power generation using power generated by reactors at night is taken into account, the economist added.

In 2004, the Advisory Committee for Natural Resources and Energy, an advisory body to the minister of economy, trade and industry, released a report that said the cost of nuclear power generation is lower than thermal and hydraulic power.

The Federation of Electric Power Companies of Japan, an industry group formed by 10 regional power companies, has long cited the committee's report in arguing that the cost of nuclear power generation is low.

Oshima says the cost of nuclear power generation is not inexpensive and it would rise further if damages to be paid by TEPCO are included.

**Kyodo**, June 28, 2011

<http://mdn.mainichi.jp/mdnnews/national/news/20110628p2g00m0dm089000c.html>

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