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## Japan utility gets to keep nuclear reactors despite

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By [Kevin Krolicki](#) and [Taiga Uranaka](#)

TOKYO (Reuters) - The utility at the heart of Japan's atomic crisis, Tokyo Electric Power Co, won institutional shareholder backing on Tuesday to keep its reactors in the face of anger from rank-and-file stockholders seeking an end to nuclear energy.

A motion filed at the utility's annual general meeting would have forced managers to scrap all nuclear reactors and stop building new ones, reflecting a wider debate in Japan and other countries over the future of atomic power generation.

Although put forward each year, the proposal this year took on greater resonance because radiation is still escaping from Tokyo Electric's nuclear plant in Fukushima, 240 km (150 miles) north of the capital.

Overwhelming support for the proposal among thousands at the meeting in Tokyo did not sway institutional investors, such as Dai-ichi Life Insurance, who own most of the stock. Dai-ichi is the biggest shareholder with a 3.43 percent stake.

"We lost today to the big investors, but our message was heard," said Masafumi Asada, a 70-year-old from Fukushima, who introduced the anti-nuclear proposal on behalf of a group of 402 shareholders.

The motion's defeat after a six-hour meeting triggered shouting and protests among people who had traveled to confront executives of the utility, known as Tepco, over the worst nuclear power accident since Chernobyl in 1986.

"Japan has a lot of earthquakes and after this accident I just don't think there is such a thing as safe nuclear power here," said Takako Kameoka, who came from Saitama, near Tokyo.

"It was obvious there was a majority here for the proposal and they didn't tell us in advance how many proxy votes they had," said Kameoka, originally from Fukushima.

The result of the vote will be a relief for Tepco, which relies on nuclear power for 30 percent of its output. It mainly serves the Tokyo area and has already warned of power cuts this summer as it tries to revive production.

Nuclear power by May still supplied 20 percent of Japan's power although 35 of Japan's 54 nuclear reactors are shut.

"The question is, can Japan do without nuclear power?" said Mitsushige Akino, chief fund manager at Ichiyoshi Investment Management Co. "How much are the Japanese people willing to sacrifice in terms of standards of living?"

"The (anti-nuclear) sentiment is understandable," Akino added, "but the reality is that this is difficult without considerable sacrifice to economic growth and activity."

A similar anti-nuclear motion was also defeated on Tuesday at a shareholder meeting hosted by Kyushu Electric Power, the regional monopoly serving a southern island of Kyushu.

### SCORN

Shareholders at the rowdy meeting heaped scorn on executives running the utility over their handling of the disaster at the nuclear plant and the company's subsequent slide to near bankruptcy.

In May, Tepco reported an annual loss of \$15 billion and since the disaster, its shares have plummeted 85 percent, its corporate rating has fallen to junk status and \$36 billion has been wiped off the company's market value.

Security was tight as shareholders and protesters converged on the Prince Park Tower Hotel.

The meeting started with thousands of stockholders packed into the venue and several hundred unable to find seats to interrogate Tepco executives over their actions following the March 11 calamity.

Three reactors went into meltdown after a massive earthquake and tsunami hit the plant, forcing 80,000 residents to evacuate as engineers battled radiation leaks, hydrogen explosions and overheating fuel rods. The earthquake and tsunami left nearly 24,000 people dead or missing.

The utility's chairman, Tsunehisa Katsumata, opened the meeting with an apology.

"We're working to get out of this crisis as quickly as possible," he said to scattered applause and one angry stockholder who shouted at the board members.

Katsumata paused before answering hundreds of written questions from shareholders as one woman, who appeared on the verge of tears, shouted out that he should have quit on the day of the disaster.

One attendee suggested the board "jump into the reactors and die," before being forced by security guards to sit down.

Another said the board would have been forced to perform ritual disembowelment had they lived in an era when such actions were deemed necessary to preserve honor.

The Fukushima crisis has prompted a rethink of energy policy in Japan and around the world. Germany has vowed to abandon nuclear power and Japan has pulled back from a commitment to build new reactors.

Nearly 70 percent of Japanese oppose the restart of nuclear reactors halted for maintenance work, a poll showed on Monday, even at the cost of power blackouts during the summer months when Japanese demand reaches a seasonal peak.

### NEW BOSS

Greenpeace was among groups intent on voicing anger at Tepco. The environmental group asked demonstrators to meet in front of

the hotel as shareholders arrived.

The meeting approved appointments to the 17 member board including Toshio Nishizawa, allowing the board to formally name him as the company's next president.

His predecessor, Masataka Shimizu, quit to take responsibility for the crisis, which damaged the livelihoods of business people, farmers and fishermen in the Fukushima region.

When asked about corporate responsibility, Katsumata deferred the question to Shimizu, eliciting a laugh from the audience.

Tepco faces a compensation bill to those victims that analysts say could exceed \$100 billion.

The government approved a taxpayer bailout for the utility this month, although the proposal faces weeks of wrangling in parliament as opposition politicians and some ruling-party lawmakers seek to either amend or scuttle it.

Tepco will struggle to make payments if the bailout plan is not implemented.

"It would be very hard for us to meet compensation claims on our own without it," Nishizawa said in an interview with Reuters.

The appointment of Nishizawa, an insider who has worked at Tepco since graduating from college in 1975, may disappoint shareholders seeking to clean house at the utility.

Nishizawa's approval, which many of the rank-and-file shareholders in the hall voted against, was greeted with groans and shouting from the packed crowd.

"A fundamental structural overhaul is needed at the board level to enable Tepco to rebuild its reputation and recover financially," said Glass Lewis, a U.S. proxy voting company that advises institutional investors which own more than \$17 trillion in assets. Glass Lewis released the statement on its website ahead of Tuesday's meeting.

Katsumata provided little cheer to Tepco's shareholders. When asked for some "hope" by one, the chairman replied: "Unfortunately, there is no clearly visible hope right now."

Shares of Tepco ended trading in Tokyo unchanged from yesterday's close of 316 yen, compared with a 0.7 percent gain in the benchmark Nikkei 225 index.

(Writing by Tim Kelly; Editing by [Joseph Radford](#), [Matt Driskill](#) and [Dean Yates](#))

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