

“Economizing” the TEPCO’s Responsibility for Fukushima Daiichi Nuclear Power Plant Accident

Eri KANAMORI

School of Business Administration, Ritsumeikan University,
JAPAN

kanamori@ba.ritsume.ac.jp

The purpose of paper

To show that the responsibility of TEPCO (Tokyo Electric Power Company Holdings, Inc.) for the Fukushima Daiichi nuclear accident has been “**economized**”.

The notion of “**economization**” was derived from the Study of Quantification/ Critical Accounting Studies (theoretical background of this paper).

Four Approaches to the Study of Quantification

Quantification

```
graph TD; A[Quantification] --- B[Administration]; A --- C[Democratic rule]; A --- D[Economisation]; A --- E[Personal life]
```

Administration

**Democratic
rule**

Economisation

Personal life

Mennicken & Espeland, 2019

Quantification

Administration

Democratic
rule

Economisation

Personal life

Mennicken
& Espeland,
2019

Four Processes in
“Economisation”

Territorializing

Mediating

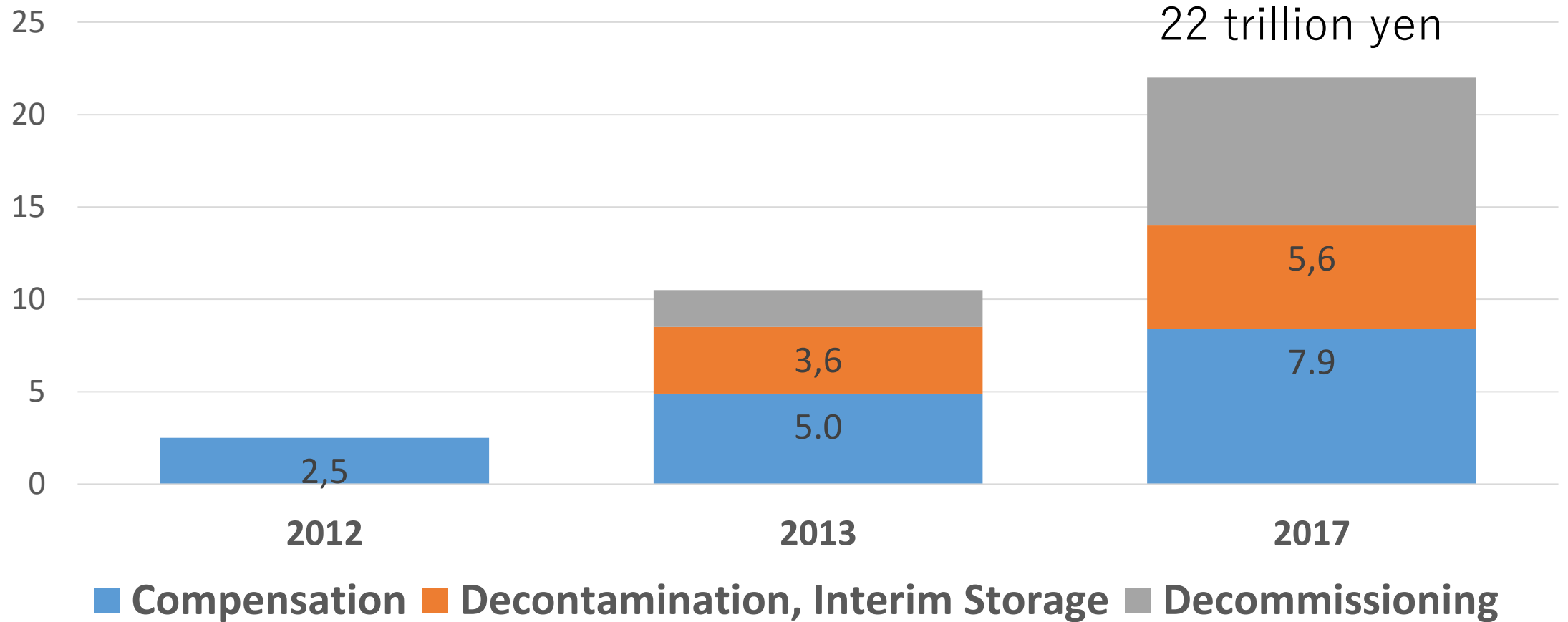
Adjudicating

Subjectivizing

Accounting

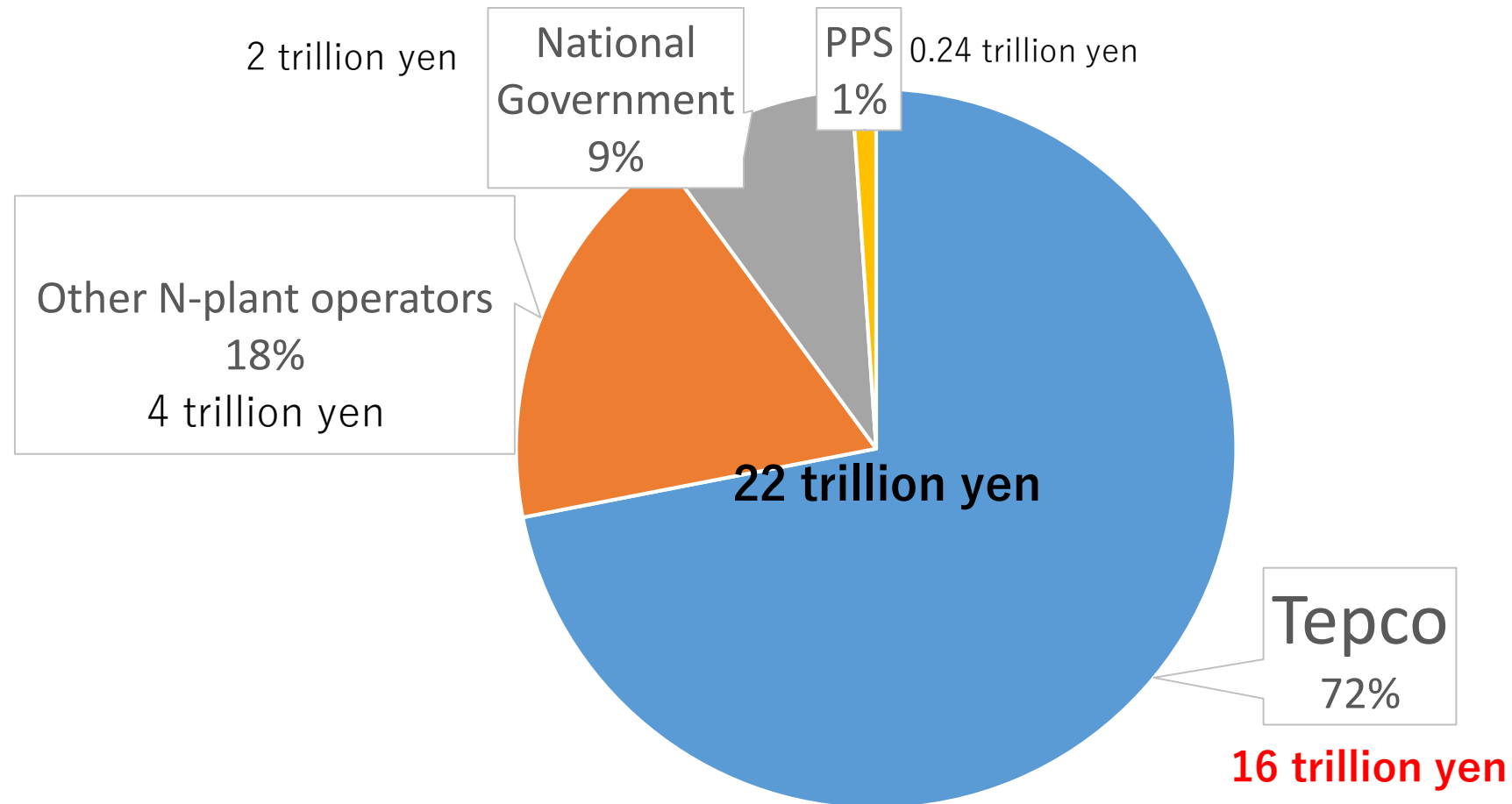
Miller & Power,
2013

The Official Estimation of Fukushima Costs



Kanamori and Kåberger (2019)

Breakdown of payment obligations associated with Fukushima costs



Tepco balance sheet for the year ended March 2019 (summary, unit: 1 trillion yen)

Tepco balance sheet for the year ended March 2019 (summary, unit: 1 trillion yen)

Fixed Assets	10.3	Long-term liabilities	5.2
Electric utility fixed assets	6.6	Bonds	1.3
Hydroelectric power generation facilities			1.3
Thermal power generation facilities			2.5
Nuclear power generation facilities			4.6
Transmission lines			0
Transformation facilities			9.9
Distribution facilities			2.6
General facilities and others	0.1	Capital stock	1.4
Facilities in progress	0.9	Capital surplus	0.7
Nuclear fuel	0.6	Earned surplus	0.5
Other fixed assets, etc.	2.1	Treasury stock	0
		Accumulated other comprehensive income	0
Current Assets	2.2	Non-controlling shareholders' interests	0
		Total net asset	2.6
Total Assets	12.5	Total of liabilities and net asset	12.5

The 16 trillion yen liability has not been accounted for on its balance sheet.

Political Decision Made by the National Government

Tepco's
survival

Tepco's
responsibility

Tepco's
economical
success

The Structure of Tepco's Fulfilment of Its Responsibility



Step 1

Reforms in unconsolidated costs, for 500 billion yen per annum



Step 2

Restarting Kashiwazaki-kariwa nuclear power plant, for 100 billion yen per annum



Step 3

Joint cost reforms, joint development, and penetration into overseas markets, for cost reductions and revenue gains totaling 450 billion yen per annum



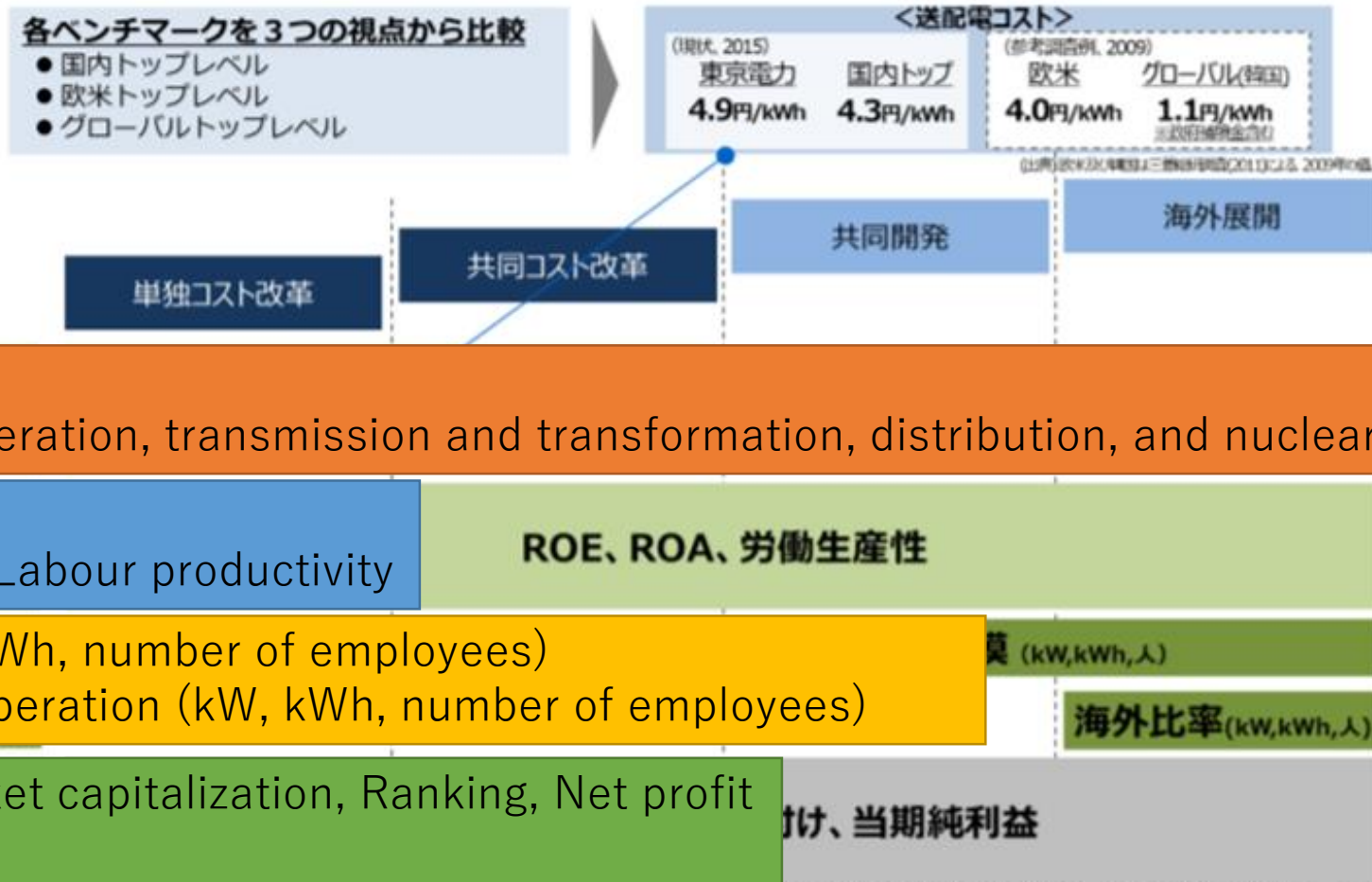
(1) Increased revenue of 500 billion yen per annum
(2) five-fold increase in corporate value

Two targets

Three steps

Benchmarks linked with responsibility

【参考9】責任とリンクしたベンチマーク（BM）



(注) 「託送原価単価」について、東電及び国内トップは2015年度の送配電部門営業費用から電源開発促進税、原子力バックエンド費用を除いたものをエリア需要で除したものを、国内と海外の比較にあたっては、託送の定義や地理的状況、送電の質（停電の回数、時間）といった算定の前提等が異なるため、単純比較はできない点に留意が必要。

Research Findings

Economizing

Constituting individuals, activities, and organizations as economic actors and entities

structuring financial returns, assessments of risk and performance, and a multitude of other forms of financial representation

Economizing Tepco's responsibility to Fukushima

Keeping Tepco in business (by off-balancing 16 trillion yen liability)

Structuring the two targets, three steps and many benchmarks in its business plan

Territorializing

- By off-balancing 16 trillion yen liability, Tepco survived as a going concern, constructing the “calculable space”.

Mediating

- The idea was disseminated that Tepco can fulfill its responsibility to Fukushima by achieving the two financial targets (500 billion yen per annum and five-fold increase in corporate value).

Adjudicating

- The two financial targets are used to measure and evaluate Tepco’s responsibility and its achievement.

Subjectivizing

- The responsibility to Fukushima came to be connected to individual organizations, rather than nuclear industry or nuclear policy as a whole.

Recommendations for Practice

- To understand the interrelated processes of economizing requires **attention to accounting practices and ideas**.
- Applying to this paper, the role of accounting used for the purpose of Tepco's fulfilling its responsibility to Fukushima need to be further investigated.
- For example, the **reasons, means, and consequences** of the compensation scheme, financial statements and accounting indicators need to be clarified.
- **Monetary and non-monetary effects** of Fukushima accident should be continuously discussed in order to avoid excessive use of accounting numbers.