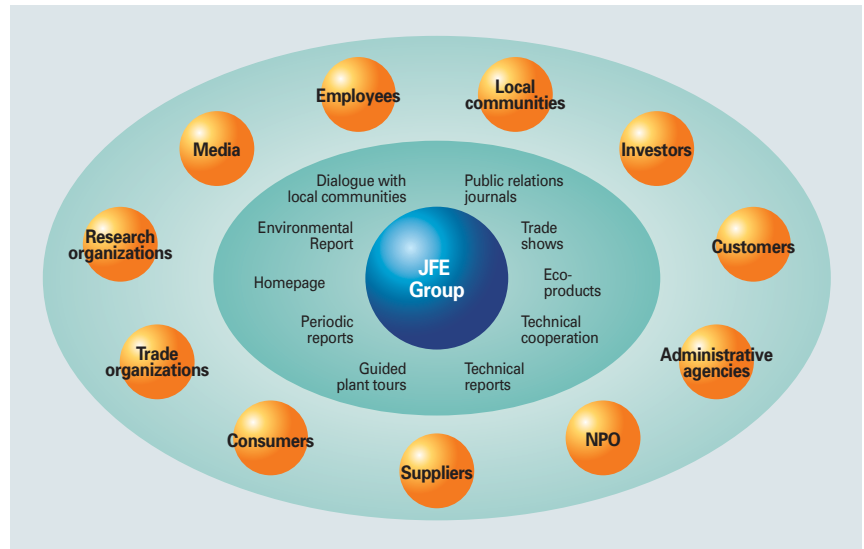


Communication with Society

JFE Holdings				
JFE Steel	JFE Engineering	Kawasaki Microelectronics	JFE Urban Development	JFE R&D

Communication with all stakeholders, including local society, investors, customers, and consumers, is important not only for ensuring a deeper understanding of the JFE Group's environmental protection activities, but also for heightening the awareness of JFE's managers and employees and deepening understanding between departments, and thus is contributing to increased environment awareness in the JFE Group as a whole. We also believe that the resulting activities will bring us closer to an environmentally-responsible society. For this reason, the JFE Group considers communication with society to be an important activity for environmental management and is working to improve the quality of its environmental communication.



Agreements with Local Governments

The JFE Group has concluded environmental protection agreements (pollution prevention agreements) for air and water quality, noise, waste, etc. with local governments at the prefectural and city levels in areas where it has plants. Some of these agreements apply stricter standards than those in national laws, and some also cover items not required by the national government. The JFE Group enters into such agreements from the viewpoint of regional environmental protection, and strictly observes their terms in all cases. Under greening agreements with local governments, the JFE Group has created greenbelts in all of its works and is active in maintaining and managing wooded areas. These efforts help preserve the local scenery and have important environmental functions in absorbing CO₂ and suppressing dust and noise.



Greenbelt at Fukuyama, West Japan Works

Participation in the Activities at Local Communities

As a good citizen in local society, the JFE Group attaches special importance to direct contact with community residents, conducting public service cleanup activities in the area and holding sports classes and tournaments.

For example, employees of West Japan Works (Fukuyama) participate in annual horseshoe crab habitat cleaning activities in Kasaoka City, Okayama Pref. as part of the works' "Cleanup Volunteer" program. In FY2003, a total of 155 employees participated. Employees also participate in annual cleanup activities at the Ashidagawa River in Fukuyama City, Hiroshima Pref.



Horseshoe crab habitat cleaning activities in Kasaoka

Opening the Works to the Public

JFE holds annual open-house events at each of its works for the enjoyment of area residents. In FY2003, the company's various works held a total of 5 festivals, which drew more than 300,000 participants. In addition to the steelworks' own festivals, employees also actively participate in local festivals and other events.

To encourage better understanding in the surrounding community, JFE Steel has also established Visitors' Centers in its works and opens its plants to tour groups of local elementary and middle school students and the general public. Other programs include opening gymnasium and athletic ground in the works to the people in local communities.



Works festival at Fukuyama, West Japan Works

Communication with Society

JFE Holdings				
JFE Steel	JFE Engineering	Kawasaki Microelectronics	JFE Urban Development	JFE R&D

Exchanges through Exhibitions

The JFE Group participates in various exhibitions on environmental themes to encourage information exchanges with the widest possible range of people.

At Eco-Products 2003, which attracted more than 100,000 visitors, the JFE Group presented an exhibition called “Contributing to the Environment through JFE’s Only 1 and No. 1 Technologies” to highlight the Group’s environment-friendly technologies and products. At the Top Management Seminar held at the same time, the Chairman of JFE Steel was an invited panelist and exchanged opinions on environmental management. In addition to exhibitions of this type, the JFE Group is actively publicizing its environmental efforts through environment-related lectures and other activities.



Eco-Products 2003

Information through Internet

The JFE Group actively offers information related to environment through Internet. On the JFE Group web site, its environmental management policy and activities are introduced in the title of “Environmental activities.”



Website of JFE Holdings

<http://www.jfe-holdings.co.jp/en/environment/index.html>

Support and Funding Activities of JFE 21st Century Foundation

The JFE 21st Century Foundation was established in 1990 to “further promote coexistence and shared prosperity with society in order to achieve a presence which is open to society.” Over the 13 years since establishment, the Foundation has carried out survey/research contributing to the creative development of the steel industry and related industries, support for technical research, and projects which contribute to regional development/international exchanges related to the steel industry with the aim of “promoting the 21st century iron and steel industry and contributing to an affluent life culture.”

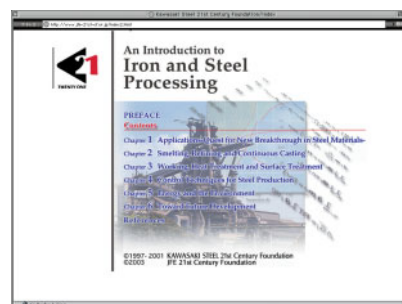
Support for technical research at universities is considered the Foundation’s most important activity. Beginning in FY2003, the JFE 21st Century Foundation began providing support for technical research on the environment as a new field in addi-

tion to technical research on steel, and increased total support for technical research to 25 projects with a total budget of ¥50 million. As one indication of its high reputation in the academic community, the Foundation received 226 applications. Grants for environmental research included 3 projects in air purification, 2 in water purification, 2 in CO₂ reduction, and 1 for recovery of scarce metals from waste, for a total of 8 environment-related projects. Of the 17 grants for steel-related research, 5 were for environmental protection and purification. Thus, of the 25 grants awarded in FY2003, 13 were for environment-related topics.

Because the Japanese steel industry has been the world’s leader in environmental protection and energy saving, in FY1994, the Foundation published “An Introduction to Iron and Steel Processing” to assist in environmental protection and purification efforts worldwide, and by FY1997, had donated these materials to 46 universities in Japan and 79 universities overseas. These materials can be accessed at the Foundation’s homepage.



The JFE 21st Century Foundation
<http://www.jfe-21st-cf.or.jp>



An introduction of Iron and Steel Processing
<http://www.jfe-21st-cf.or.jp/index2.html>

Participation in Kanagawa Riverhead Forest Partnership

In order to pass riverhead forest areas on to future generations, Kanagawa Prefecture is purchasing poorly-maintained private forests for management and cultivation as prefectural forests. These activities are supported by the “Kanagawa Riverhead Forest Partner” system.

As a water consumer in the Keihin area, East Japan Works of JFE Steel understands the importance of healthy water circulation between water sources and urban areas, and is therefore participating in Kanagawa Prefecture’s Kanagawa Forest Conservation Program for Water Resource Regions as a Riverhead Forest Partner since 1999, contributing to the creation of riverhead forests.



Cooperation with NPO in Oceanographic Survey

Together with JFE LOGISTICS, JFE Steel is cooperating with the NPO (nonprofit organization) VOS Nippon*1 in a Voluntary Oceanographic Monitoring Activities*2 by installing automatic monitoring equipment on oceangoing vessels operated by JFE LOGISTICS. Data are collected each time vessels return to Japan and made available to interested researchers.



Oceangoing vessel M/V Sun Frontier

*1) VOS Nippon

Designated nonprofit organization (NPO) which conducts the following nonprofit activities to promote interest in and understanding of the marine environment by collecting, analyzing, and publishing surface-layer oceanographic monitoring data from private commercial ships and investigating surface-layer material circulation and the reproductive mechanisms of resource life forms.

- (1) Collection, organization, analysis, and publication of oceanographic surface-layer monitoring data
- (2) Development of automatic continuous oceanographic monitoring devices
- (3) Recruitment of volunteer monitoring ships to participate in monitoring activities
- (4) Education, popularization, and publicity activities related to the marine environment
- (5) Other activities necessary for achieving the organization's purposes

*2) Voluntary Oceanographic Monitoring Activities

Activities involving monitoring of the temperature, salinity, etc. of oceans with monitoring devices mounted on private commercial ships and use of results in verification/elucidation of the actual condition of global warming, mechanism of climate change, etc.