

# Environmental Accounting and Environmental Communication

## Environmental Accounting

In the year ended March 2008, environment-related capital investment totaled ¥14.8 billion and expenses amounted to ¥83.4 billion. The ratio of environment-related capital investment against total capital

investment is approximately 10%. As a result of activities during the year ended March 2008, the effects of energy conservation were valued at an estimated ¥1.9 billion.

Environmental investment

**14.8**  
billion yen

Environmental cost

**83.4**  
billion yen

### Environmental Protection Costs

(billions of yen)

		Description	Amount of Investment	Amount of Expenses
Environmental investment & expenses related to JFE's own business	Management	Monitoring & measurement of environmental influence, EMS-related activities, environmental education & training, etc.	0.1	2.5
	Prevention of global warming	Energy conservation, effective use of energy, etc.	4.3	15.5
	Effective use of resources	Recirculation of industrial water, recycling of by-products & waste generated in-house, waste management, etc.	1.1	18.7
	Environmental protection	Prevention of air pollution, water pollution, soil contamination, noise, vibration, ground subsidence, etc.	9.3	38.1
	Miscellaneous	Fees/charges, etc.	—	1.6
Environmental investment & expenses related to customers and society	Research & development	Technology development for environment, energy, prevention of global warming	—	6.4
	Social activities	Protection of nature, support to forestation, information disclosure, exhibition, advertisement, etc.	—	0.6
Total			14.8	83.4

Environmental accounting data stated above were calculated on the basis of the following assumptions.

Period subject to accounting: April 1, 2007 to March 31, 2008

Scope of Compiled Data: For costs, data on environment-related investment and expenses at JFE's steelworks were gathered, but in the field of research & development,

Group-wide data were collected.

The effects refer to "presumed effects"; "risk aversion effects," etc., are excluded from calculations.

Calculations do not include capital investments made primarily for purposes other than environmental protection, such as renovation of superannuated facilities, even if the process as a whole results in a net energy saving compared to the former process.

## Planting trees for "Forest Building in Keihin"

Along with ten companies in the nearby area, JFE Engineering Tsurumi Engineering and Manufacturing Center exchanged a pledge with Yokohama City to cooperate together for the goal of expanding greenery, and is taking part in the Keihin no Morizukuri (Forest Building in Keihin) in an effort to energize the ecology.

In conjunction with the 80th anniversary of the

Tsurumi ward system, in September of last year we held a tree planting festival in a green belt we own alongside Japan Railway's Tsurumi Line. Together with about 50 local residents, company employees and employees from other companies in the JFE Group participated as volunteers.



General Affairs Section of the JFE Engineering Tsurumi Engineering and Manufacturing Center – Facilities and Environment Group

We enjoy interaction with many people outside the company through environmental activities such as Keihin no Morizukuri (Forest Building in Keihin) and the Tonbo wa Dokomade Tobuka Forum (The How-Far-Will-a-Dragonfly-Fly? Forum). We want to expand these types of activities within our company and within the JFE Group as a whole, and link this to a greater feeling of satisfaction among employees as well.



The Tree Planting Festival held together with the Environmental Planning Bureau, City of Yokohama and the Tsurumi Ward Office