

№ 45

Date 20.06.2022

**Mr. Yoshihisa Kitano**  
**President and CEO**  
**JFE Steel Corporation**

2-2-3 Uchisaiwaicho  
Chiyoda-ku, Tokyo 100-0011  
Japan

**Dear Mr. Yoshihisa Kitano,**

My name is Natalia Lytvyn and I'm the coordinator of the Energy Transition Coalition which unites Ukrainian environmental NGOs, associations and municipalities. For more than 100 days already we, Ukrainians, are living in the state of a full-scale war.

The Russian war against Ukraine shows Moscow's colonial ambitions in their most horrible form: full-scale invasion, war crimes, denying the right of Ukraine to exist as an independent state. The war is a logical continuation of Russian policy of the last decades and even centuries.

More than [14.5 million](#) Ukrainians have fled their homes, while tens of thousands of civilians have been killed. The Russian attacks completely destroyed cities like Mariupol in the south, Bucha in the north and Popasna in the east of the country. Atrocities uncovered in territories that were under Russian occupation have all the characteristics of a [genocide](#) of Ukrainian people. Meanwhile, the Russian armed forces are still occupying and controlling parts of Kherson, Kharkiv, Donetsk, Luhansk and Zaporizhzhia regions, as well as the Crimean peninsula. After three months of the full-scale war, infrastructural damages are [enormous](#): 23,800 kilometers of roads, 621 kindergartens, 295 bridges, and almost 1,000 healthcare institutions and factories have been bombed and destroyed. Ukraine's real GDP is expected to [drop](#) by 30-50% this year and the cost of rebuilding the country after the war is [estimated](#) at USD 1 trillion.

**Japan is financing Russia's war**

Russia's economy is largely funded on fossil fuel exports, with [45%](#) of Russia's total federal budget coming from oil and gas sales. Russia's finance minister Anton Siluanov

has stated that the additional income from the export of fossil fuels this year will be [spent in part for the "special operation" in Ukraine](#). In other words, Putin can run his war only due to his reliance on fossil fuel exports to countries like Japan.

Japanese public and private institutions are deeply entrenched in Russian coal, oil and gas. From 2018 to 2020, Japanese public finance institutions provided \$4.8 billion for fossil fuel projects in Russia<sup>1</sup>. Japan's three largest banks all rank in the [top 15 financiers](#) of Russian fossil fuel companies as well.

The Centre for Research on Energy and Clean Air (CREA) estimates<sup>2</sup> that during the first 100 days of Russia's invasion, Japanese firms imported EUR 1.9 billion (JPY 250 billion) worth of fossil fuels from Russia. This sum breaks down into EUR 893 million for LNG, EUR 513 million for coal, and EUR 494 million for oil. Out of all countries, Japan was the largest importer of Russian coal, and the third largest importer of Russian LNG. The country's share of Russia's total exports was over 10% for both coal and LNG.

While we welcome the Japanese government's decision to [ban Russian coal](#) and [phase out Russian oil](#), we want to note that the phase outs have yet to take place, save for companies such as Eneos and Kyushu Electric Power. Meanwhile, Russian fossil fuels continue to enter Japan.

### **JFE Steel Corporation needs to stop importing ALL Russian fossil fuels**

**On this note, we, Ukrainian environmental NGOs, urge you to ban any and all imports of Russian fossil fuels, including LNG, and divest your interests in Russian fossil fuel companies.** The time to stop profiteering from the pariah state that attacks and kills innocent people is NOW.

We also urge JFE Steel Corporation to recognize that fossil fuels in general are prone to geopolitical conflicts and price volatility, and consider investing more in cleaner, safer renewable energy sources going forward. Last month, the Japanese government, [as part of the G7](#), committed to end new public support for international unabated fossil fuels by the end of this year, and to achieve a predominantly decarbonised electricity sector by 2035, indicating the limited future of fossil fuels.

We know that JFE Steel Corporation has during the 100 days of war in Ukraine imported Russian coal with a value of EUR 42.8 million (JPY 5.6 billion)<sup>3</sup>, with the latest arrival on May 22nd, making JFE Steel Corporation the largest Russian coal buyer in Japan. JFE Steel Corporation has had nine shipments since the outbreak of the war, the highest in Japan. It is also one of the 15 global corporations identified by CREA to have continued purchasing Russian fossil fuels in May. We ask JFE Steel Corporation to join the increasing

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<sup>1</sup> Shift the Subsidies database, Oil Change International.

<sup>2</sup> The Centre provided the most recent updated data on request; data sources and methodology are documented here: <https://energyandcleanair.org/financing-putins-war/>

<sup>3</sup> The currency conversions into JPY are carried out using daily exchange rates for each shipment from oanda.com.

number of [private companies](#) exiting business with Russia, and announce an immediate end to your reliance on Russian fossil fuels. We would like to discuss with the company's representatives the concrete steps you are taking to stop the purchases of Russian fossil fuels and also present our thoughts on the war we are living through.

Please let us know your response to this letter by June 27th, 2022 at the very latest.

**Energy Transition Coalition** on behalf of Ukrainian NGOs: Ecoaction, Ekoltava, Ecoclub, City of Sun, Khmelnytskyi Energy Cluster, All-Ukrainian Sustainable Development & Investment Agency, PravoPolice, Solar Energy Association of Ukraine, Mykolaiv municipality.

Ms. Natalia Lytvyn, [n.lytvyn@ecoclubrivne.org](mailto:n.lytvyn@ecoclubrivne.org)

Sincerely,

**Coordinator of the Coalition**



**Ms. Nataliia Lytvyn**