

# PROFILE

In 1907, the Japanese government launched a joint venture for the purpose of domestic weapons production in Muroran, Hokkaido—later to become a major steel manufacturing center—consisting of two British firms (W.G. Armstrong and Vickers) and one Japanese company. That was the birth of The Japan Steel Works, Ltd. (JSW).

After World War II, the company turned its sophisticated technologies and considerable experience to meeting peacetime needs. Continuing to produce high-quality steel, it developed machinery making use of this steel and endeavored to open up new business fields. In addition to heavy and chemical industries such as electric power, steel, shipbuilding, and petrochemicals, the company broadened into areas from automobiles to electrical machinery and information equipment, earning a worldwide reputation as an integrated producer of steel materials and machinery.

Today, having grown into a comprehensive materials provider and manufacturer of mechatronics products, JSW is meeting society's needs at the forefront. In the steel and energy products business, we are serving the needs of the energy industry in areas such as electrical power generation, oil refining, natural gas, and wind power generation. In the industrial machinery products business, we supply equipment for manufacturing and processing plastic materials, along with a diverse range of products in areas from information technology to defense.

# CONTENTS

<b>01</b>	<b>FINANCIAL HIGHLIGHTS (CONSOLIDATED)</b>
<b>02</b>	<b>MESSAGE FROM THE PRESIDENT</b>
<b>04</b>	<b>PROGRESS OF JGP2017</b>
<b>08</b>	<b>OUR BUSINESS DOMAINS</b>
<b>10</b>	<b>REVIEW OF OPERATIONS</b>
<b>12</b>	<b>SPECIAL FEATURE</b>
<b>14</b>	<b>RESEARCH AND DEVELOPMENT</b>
<b>16</b>	<b>CORPORATE GOVERNANCE</b>
<b>20</b>	<b>ENVIRONMENTAL MANAGEMENT</b>
<b>22</b>	<b>BOARD OF DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS</b>
<b>23</b>	<b>FINANCIAL SECTION</b>
<b>26</b>	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>
<b>32</b>	<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>
<b>54</b>	<b>CORPORATE DIRECTORY</b>
<b>55</b>	<b>NETWORK</b>

## Forward-looking statements

The performance forecasts included in this report are judgments based on the information that was available to the JSW Group at the time this report was prepared and the actual results may differ significantly from these forecasts due to a variety of factors.