

## <Results of Operations in Fiscal 2003>

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Marubeni-Itochu Steel Inc. (President: Kazuhiko Nishizawa) hereby announces the results of its operations for Fiscal Year 2003 (the calendar year ended March 31, 2004):

### Economic environment

Domestic steel demand from the construction industry decreased as a result of cutbacks in public-works projects and new housing starts, but steel demand from the shipbuilding, automobile and industrial machinery industries was strong. As a result, total domestic steel demand showed some improvement over the preceding year.

Steel exports to Asian countries were strong in general, with exports to China leading the way. In response to that, crude steel production in FY2003 totaled about 110 million tonnes, an increase of about 1.1% over the preceding year.

### Business performance in FY2003

In such an economic environment, the Company made steady progress in the implementation of its medium-term management program, begun in FY2003, which is aimed at raising the group's consolidated earning power to the top international level by the final year of the plan (FY2005).

As a result, the Company's sales, ordinary income and net income on a non-consolidated basis for the term under review came to ¥761.0 billion, ¥3.4 billion and ¥2.2 billion, respectively. On a consolidated basis, sales and net income for the term came to ¥1,278.5 billion and ¥6.3 billion, respectively. Both non-consolidated and consolidated results exceeded the plan set at the beginning of the term.

Total non-consolidated assets at the end of the term amounted to ¥272.2 billion, while total consolidated assets stood at ¥542.5 billion.

### Non-consolidated results

[in billions of yen]

Item	Second term	Third term
	FY2002	FY2003
Sales	786.3	761.0
Ordinary income	5.8	3.4
Net income	1.4	2.2
Net income per share	¥2,385.55	¥3,669.27
Total assets	279.9	272.2
Total Shareholders' Equity	58.8	66.4

### Consolidated results

Item	Second term	Third term
	FY2002	FY2003
Sales	1,308.2	1,278.5
Net income	6.6	6.3
Number of consolidated subsidiaries	71	69
Number of companies to which equity method is applied	44	40

### Personnel (non-consolidated)

Item	Second term	Third term
Number of employees	643	620
Average length of service	20.7 years (20 years and 8 months)	20.7 years (20 years and 8 months)

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Please direct inquiries about this news release to Mr. Yaegashi or Mr. Miyauchi, Corporate Planning & Coordination Department, Marubeni-Itochu Steel Inc. Tel: 03-5204-3345.