

< Results for 1st Half of FY2004 >

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Marubeni-Itochu Steel Inc. (President: Kazuhiko Nishizawa) announced results for the first half of fiscal 2004 (April 1 to September 30, 2004) as follows:

Economic environment

During the first half of fiscal 2004, Japan's manufacturing industries ? such as shipbuilding, automobiles, household electrical appliances and industrial machinery ? were active, and the construction industry was also firm, led by residential and non-residential structures.

Foreign demand, particularly from China and other countries in Asia, was brisk, leading to increased exports of steel products.

Backed by strong demand, the country's crude steel production during the term under review totaled 56,360,000 tonnes, the fourth largest after the 56,600,000 tonnes logged in fiscal 1980, and an increase of 1.7% over the corresponding period of the preceding year.

Results of operations for the term under review

Marubeni-Itochu Steel Inc.'s results were good throughout the term, registering a consolidated net income of ¥10.1 billion. This was an increase of ¥6.7 billion over the corresponding period of the preceding year.

Consolidated Statement of Income

[Billions of yen]

	Result for the first half of FY2004	Result for the first half of FY2003	Increase/Decrease
Sales	714.67	608.13	106.54
Gross Profit	45.47	31.84	13.63
Ordinary Income	18.11	6.52	11.59
Income before income taxes	17.43	6.29	11.14
Net Income	10.13	3.47	6.66

Non-Consolidated Statement of Income

[Billions of yen]

	Result for the first half of FY2004	Result for the first half of FY2003	Increase/Decrease
Sales	408.99	373.77	35.22
Gross Profit	11.91	10.62	1.29
Ordinary Income	3.79	1.58	2.21
Income before income taxes	3.90	2.17	1.73
Net Income	2.70	1.21	1.49

Prospect for fiscal 2004 on consolidated basis

[Billions of yen]

	Prospect for FY2004	Result for FY2003	Increase/Decrease
Net Income	15.00	6.28	8.72

Please direct inquiries about this news release to Mr. Yaegashi or Mr. Hayakawa, Corporate Planning & Coordination Department, Marubeni-Itochu Steel Inc.
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