

MC maintains a global business through its six Business Groups. Creating new value and contributing to the enrichment of society through our business is not only our mission, but also one of the main principles underpinning the capacity of companies to help create sustainable societies.

MC Business

▶ INNOVATION 2007

Launched in July 2004, INNOVATION 2007 represents a new medium-term management plan that sets out a vision for MC as "A New Industry Innovator," working to create the future and promote both corporate and social growth. In order to achieve this vision, INNOVATION 2007 is designed to position MC as a collective of corporate and business entrepreneurs with the vision to create a new era; a corporation that contributes to the development of industry by producing leading industry managers; a

corporate group with the global network and scale to lead change; and a corporate citizen that has earned a high level of trust among our shareholders and society at large. MC is committed to helping create new industries, develop new approaches, and build the future. To this end, we are committed in every aspect of our day-to-day business activities to ensuring that each of our employees embodies the spirit of innovation, and to redirecting industry to meet market needs and satisfy our customers.

▶ MC Business Model

MC is engaged in virtually every field of business, through its trading activities and business investments. The essence behind this diversity is MC's ability to work with customers to uncover their needs and conceive new business models, while ensuring that necessary steps are taken to manage risk. Our business transactions and investments are fully backed by a wide range of resources available both in-house and from our affiliates. In this way, MC is able to ensure that the functions and services these businesses need are reliably provided and promote their growth. One example of this approach is our trading business, a mainstay of MC operations throughout our long history. We utilize the valuable information gathered by our frontline businesses to provide high value-added services that combine our finance, information technology, distribution, marketing and other functions.

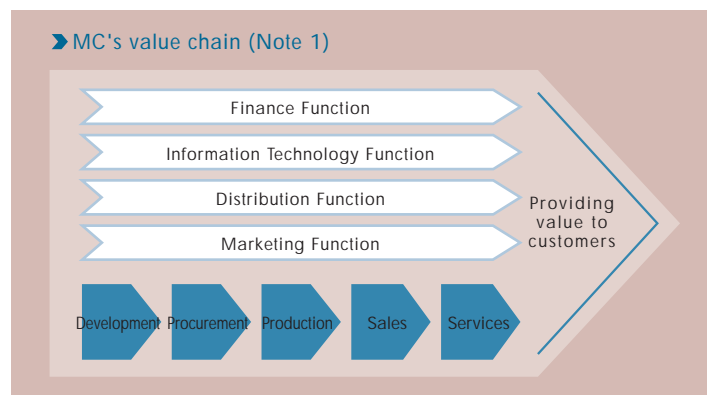
In planning new business ventures with its partners, MC procures the necessary resources and develops business models designed to add value by sharing potential risks and

leveraging MC's organizational strength and global network. We offer the best possible solution for each stage of business from development through procurement, production, marketing and services, and provide the support needed to implement those solutions. MC also plays an important role in combining distinctive businesses and coordinating customer affiliations.

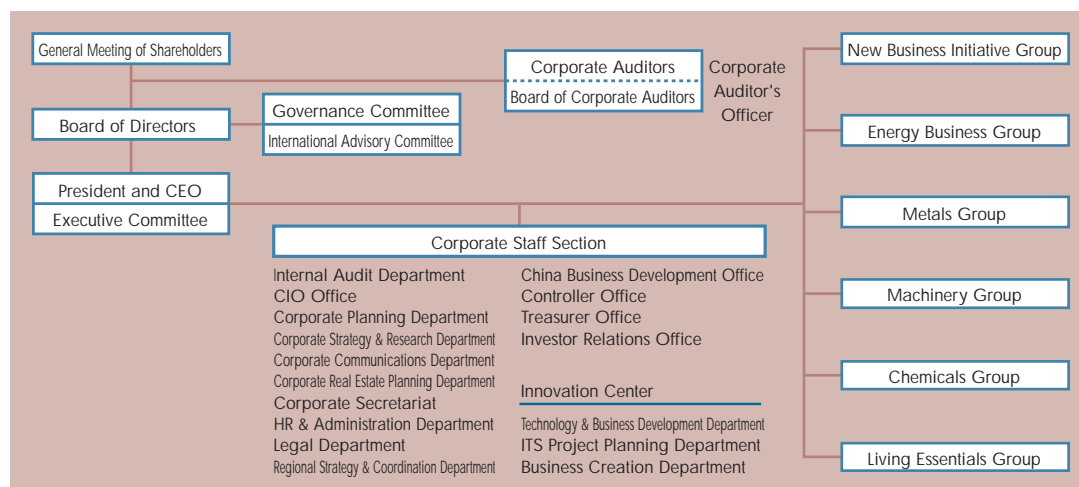
Finally, MC takes an active approach to anticipating the direction in which society and markets are moving, and takes the initiative in developing new businesses in response.

Note 1: Value chain







The value chain describes all the methods by which value is added to products as they go through the development, procurement, production, sales and service chains. Each area in which MC does business represents a link along the value chain. We build high value-added businesses by developing businesses based on the whole course of a product's lifecycle, encompassing the entire length of the value chain.



MC Organization Chart



Business Group Highlights

Business Group Highlights	Fiscal 2005 Results	Main Products and Services
New Business Initiative Group 	Operating transactions: ¥266,286 million Net income: ¥12,260 million Segment assets: ¥901,773 million	<ul style="list-style-type: none"> Information and Communication Technology (ICT) – related business (IT solutions and management, outsourcing business, network services, mobile-related business) Management buyouts, venture business incubation, M&A support, securitization, operating leases, asset management Logistics business, insurance business Foodservice business, content business, comprehensive solutions for hospitals, nursing care and rehabilitation services, human resources management, publishing
Energy Business Group 	Operating transactions: ¥4,332,271 million Net income: ¥45,835 million Segment assets: ¥1,140,938 million	<ul style="list-style-type: none"> LNG (liquefied natural gas), LPG (liquefied petroleum gas), crude oil, gasoline, naphtha, kerosene, diesel oil, heavy oil, lubricating oil, asphalt, other petroleum products, Orimulsion®, anthracite, coal coke, petroleum coke, carbon black, artificial graphite electrodes, oil and gas exploration and production, new energy development, energy-conservation system development, electricity and heat supply business
Metals Group 	Operating transactions: ¥3,441,069 million Net income: ¥48,239 million Segment assets: ¥2,057,150 million	<ul style="list-style-type: none"> Iron ore, coking coal, thermal coal, auxiliary materials, raw materials for stainless steel such as nickel and chrome, ferro-alloys, non-ferrous metal raw materials such as copper and aluminum, non-ferrous metals, precious metals, automotive body parts, pig iron, scrap steel, steel sheets and coils, steel tubes and pipes, stainless steel, other steel products
Machinery Group 	Operating transactions: ¥2,768,577 million Net income: ¥55,398 million Segment assets: ¥2,297,571 million	<ul style="list-style-type: none"> Plant and machinery for power generation, power transmission and transformer facilities, elevators, railroad carriages, transportation systems, plants and equipment for gas/petroleum/chemical industries, steel-making equipment, non-ferrous metals-manufacturing equipment, cement equipment, mining machinery, ships, offshore facilities, waste treatment equipment, environmental protection facilities, automobiles, construction equipment, machine tools, printing machinery, aircraft engines, aircraft interiors and equipment, defense industry electronics, space-related equipment Planning, design and implementation of construction projects, sales and leasing of houses, development of office buildings and commercial facilities, real estate brokerage and securitization business, PFI business, overseas construction and civil engineering projects Project development, electricity sales and construction and operation of electricity, water and other social infrastructures, automobile manufacturing and sales and dealer finance, chartered ships for FPSO/FSO, food recycling, satellite communications, high-resolution digital satellite images, information security business, aircraft leasing, aerospace system development
Chemicals Group 	Operating transactions: ¥1,904,165 million Net income: ¥18,110 million Segment assets: ¥648,330 million	<ul style="list-style-type: none"> Petrochemical products, fertilizers, inorganic chemicals products, synthetic plastics and plastics products, electronic materials, food additives, pharmaceutical and agricultural chemical intermediates manufacturing, life science business, advanced materials
Living Essentials Group 	Operating transactions: ¥4,449,625 million Net income: ¥44,864 million Segment assets: ¥1,739,340 million	<ul style="list-style-type: none"> Grains, flour, sugars, oils and fats, meat, feed, marine products, fruits and vegetables, starch, beer, coffee, mineral water, dairy products, frozen and refrigerated foods, processed foods Textile raw materials, yarn and knitted fabric, industrial textiles, optical fiber, apparel, brand business, furniture, shoes, household products, tires, construction materials, packaging materials, wood chips, pulp, paper, cement, silica sand