MAZDA AND MITSUBISHI CORPORATION ESTABLISH NEW ENERGY SUPPLY COMPANY

To provide electricity and steam to Mazda headquarters plant area and Hofu plant's Nishinoura complex from April 2008

HIROSHIMA, Japan—Mazda Motor Corporation and Mitsubishi Corporation have announced that, on January 17, 2006, they established a new operating company, MCM Energy Service Company, to provide electricity and steam to Mazda's Hiroshima headquarters plant and its Hofu plant's Nishinoura district complex. Mazda's Hofu plant is located in Yamaguchi Prefecture, the westernmost prefecture on Honshu, the main island of Japan.

The new company will take over the operation of existing power generation facilities that supply electricity and steam to Mazda's headquarters plant and Hofu's Nishinoura district plant. In addition, MCM Energy Service Co. will also build new power generation facilities within the Mazda headquarters' plant compound, with operations planned to begin in April 2008. Along with supplying electricity and steam to Mazda's headquarters plant, plans also call for sales of electricity to other electric power suppliers.

Mitsubishi Corporation is aiming to further expand its business by positioning its on site power generation as a strategic growth sector. It is establishing an independent operating company at each customer's site to supply electricity and steam as part of its outsourcing objectives. Plans call for harmonizing this initiative with the retail sale of electricity being conducted by its group affiliate, Diamond Power Corporation.

So far, Mazda has supplied power to its headquarters and Hofu plants through its own electrical and steam generation facilities. Establishing a new company with Mitsubishi Corporation will add power generation capacity, creating a cheaper and more secure power supply system. It will also contribute to more efficient energy use through the elimination of heavy oil as boiler fuel to generate steam. This new initiative is part of Mazda's continuing efforts to achieve more environmentally friendly production plants.

MCM Energy Service Company Ltd. Outline

Address: 1-1 Nihookimachi, Minami-ku, Hiroshima City (within the

Mazda headquarters plant area)

Capital: 100 million yen (capital investment ratio: Mitsubishi

Corporation 50 percent, Mazda Motor Corporation 50 percent)

Executive Management: Yasuo Nagai, President

(General Manager, Power Systems Unit, power & Electrical

Systems Division, Mitsubishi Corporation)

Kunihiko Matsui, Vice President

(Deputy Planning Manager, Corporate Planning Division,

Mazda Motor Corporation)

Facility capacity: Steam vapor volume 530t/h

(target volume at start of operations in April 2008)