



Summary of Consolidated Financial Results for the First Quarter ended June 30, 2004

July 27, 2004

Hitachi Maxell, Ltd.

Code No: 6810

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1. Changes in Preparation Method for Quarterly Business Results

Application of simplified accounting methods: A simplified method has been applied in some accounts for appropriating reserves.

Changes in accounting methods from the previous term: None

Changes in scope of consolidation and application of equity methods: (Excluded) 1

No audit or review by an independent auditor

2. Business results and financial position for period ended June 30, 2004 (April 1, 2004 through June 30, 2004)

(1) Operating Results

(Amounts less than ¥1 million, except per share amounts, have been omitted)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2004	50,887	(4.5)	2,223	(29.1)	2,643	(20.4)	1,537	(17.8)
June 30, 2003	53,297	0.9	3,135	8.0	3,319	13.5	1,870	8.7
(Reference) March 31, 2004	212,698	-	11,134	-	12,810	-	7,106	-

	Net income per share	Net income per share (Diluted)
	Yen	Yen
June 30, 2004	15.54	-
June 30, 2003	18.91	-
(Reference) March 31, 2004	71.52	-

Note: Percentage change is the ratio of increase or decrease in each item of business results for the period ended June 30, 2003

(2) Financial Position

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2004	296,493	195,137	65.8	1,973.24
June 30, 2003	293,633	193,927	66.0	1,961.22
(Reference) March 31, 2004	300,054	195,438	65.1	1,975.94

3. Forecast for business results for the fiscal ending March 31, 2005 (April 1, 2004 through March 31, 2005)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Interim	104,000	5,700	6,300	3,500	35.39
Full Year	217,000	12,000	13,000	7,800	78.87

*With regard to projections set forth above, please refer to the attached materials on page 3.

Reference

1. Consolidated Business Results (April 1, 2003 to June 30, 2003)

Sales in optical media, centering on recordable DVD discs, and lithium ion rechargeable batteries for mobile phones performed well, but audio and video tape sales fell due to weakening demand. Net sales for the 1st quarter fell 4.5% on the same quarter last year (all comparisons hereafter on the same basis) to ¥50,887 million. In spite of reducing overall cost through a focus on increased productivity and cost reduction, dropping prices resulted in an operating income decrease of 29.1% to ¥2,223 million. Ordinary income decreased 20.4% to ¥2,643 million with net income decreasing 17.8% to ¥1,537 million. This quarter the average exchange rate was ¥110 to the dollar.

The results for the end of the first quarter by business segment were as follows.

Information Storage Media Division

In optical media, recordable DVD media is making a turn for the better with expanding sales. Related to Next Keystone, a new business, optical parts such as lenses are continuing to grow. On the other hand, even though sales of the new 100 GB+ computer tapes is strengthening, and there are indications that sales will exceed last year's 4th quarter figures, falling unit prices have brought both sales and profits down compared with the same quarter last year.

As a result, overall sales for the Information Storage Media division decreased 2.3% to ¥26,591 million, with operating income decreased 43.5% to ¥1,323 million.

Audio-Video Tape Division

Due to contractions in the tape market, overall sales in the Audio-Video Tape division were decreased 14.6% to ¥8,367 million for a 17.1% decrease in operating income to ¥252 million.

Battery and Electric Appliance

In rechargeable batteries, shipments of lithium ion rechargeable batteries for mobile phones are doing well with expanding sales, and operating income is up due to production level efficiencies. In disposable batteries, slowing domestic growth of alkaline dry batteries and sluggish demand for micro secondary batteries for IT equipment has resulted in decreased sales of both. In electronics, small electronic appliances have made a turn for the better.

As a result, sales for the division overall fell 2.1% to ¥15,929 million, although operating income increased 32.2% to ¥648 million.

2. Consolidated Forecasts (April 1, 2003 to March 31, 2004)

Consolidated forecasts announced in April for the term to March 2005 remain unchanged. Net sales of ¥217,000 million, operating income of ¥12,000 million, and ordinary income of ¥13,000 million are expected, for a net income of ¥7,800 million. The dollar exchange rate is estimated to be ¥105 to the dollar (the actual rate for the previous term was ¥113 to the dollar).

Note: This document contains forward-looking statements which reflect management's current views and judgements with respect to certain future plans, events and strategies based on currently available information and do not constitute promises, commitments or guarantees. The forward-looking statements involve known and unknown risks and uncertainties that can cause actual results to differ materially from those projected or implied therein. Factor that can cause actual results to differ materially from those projected or implied in the forward looking statements and from historical events include, but are not limited to, future economic trends, competition in the industrial sector in which Maxell operates, market demand, rates of exchange (for the yen and other currencies in which Maxell makes significant sales or in which Maxell's assets and liabilities are denominated), and sociopolitical conditions and circumstances.

Consolidated Results and Forecast

Millions of yen

	FY ended March 2005 First Quarter	Change (%)	FY ended March 2004 First Quarter	FY ended March 2005 Forecast
Net Sales	50,887	(4.5)	53,297	217,000
Operating income	2,223	(29.1)	3,135	12,000
Ordinary income	2,643	(20.4)	3,319	13,000
Net income	1,537	(17.8)	1,870	7,800
Exchange rate(\$1=)	¥110		¥119	¥105

Sales and Operating Income by Segment

	FY ended March 2005 First Quarter		Change (%)	FY ended March 2004 First Quarter		FY ended March 2005 Forecast	
	Millions of yen	Composition (%)		Millions of yen	Composition (%)	Millions of yen	Composition (%)
Net Sales	50,887	100	(4.5)	53,297	100	217,000	100
Information Storage Media	26,591	52	(2.3)	27,223	51	119,000	55
Audio-Video Tape	8,367	17	(14.6)	9,797	18	31,000	14
Battery and Electric Appliance	15,929	31	(2.1)	16,277	31	67,000	31
Operating income	2,223	100	(29.1)	3,135	100	12,000	100
Information Storage Media	1,323	60	(43.5)	2,341	75	8,800	73
Audio-Video Tape	252	11	(17.1)	304	10	600	5
Battery and Electric Appliance	648	29	32.2	490	15	2,600	22

Overseas sales

	FY ended March 2005 First Quarter		Change (%)	FY ended March 2004 First Quarter	
	Millions of yen	Composition(%)		Millions of yen	Composition(%)
Overseas sales	31,835	63	(5.8)	33,812	63
America	14,861	30	(8.8)	16,287	30
Europe	10,214	20	(9.6)	11,295	21
Asia and other	6,760	13	8.5	6,230	12
Domestic sales	19,052	37	(2.2)	19,485	37
Total	50,887	100	(4.5)	53,297	100

Capital expenditure, Depreciation, R&D costs

Millions of yen

	FY ended March 2005 First Quarter	Change (%)	FY ended March 2004 First Quarter	FY ended March 2005 Forecast
Capital expenditure	3,587	13.8	3,151	15,000
Depreciation	2,868	1.4	2,828	13,000
R&D costs	2,544	3.7	2,453	11,000

Consolidated Balance Sheets

Description	First Quarter of Fiscal 2004 (As of June 30, 2004)		Fiscal 2003 (As of March 31, 2004)		Increase/decrease
	Amount	Composition	Amount	Composition	
	Millions of yen	%	Millions of yen	%	
Current assets	114,316	38.6	119,474	39.8	(5,158)
Cash and time deposits	11,566		13,641		(2,075)
Trade notes and Accounts receivables	40,153		37,845		2,308
Marketable securities	16,042		25,588		(9,546)
Inventories	32,826		29,761		3,065
Other current assets	13,729		12,639		1,090
Fixed assets	182,177	61.4	180,580	60.2	1,597
Tangible fixed assets	85,427	28.8	84,385	28.1	1,042
Intangible fixed assets	2,157	0.7	2,182	0.7	(25)
Investments and other assets	94,593	31.9	94,013	31.4	580
Total assets	296,493	100.0	300,054	100.0	(3,561)
Current liabilities	49,326	16.7	52,917	17.7	(3,591)
Trade notes and accounts payables	19,102		19,225		(123)
Short-term bank loans	1,337		1,486		(149)
Other current liabilities	28,887		32,206		(3,319)
Long-term liabilities	51,940	17.5	51,612	17.2	328
Bonds	30,000		30,000		-
Allowance for retirement benefit	16,956		16,735		221
Other long-term liabilities	4,984		4,877		107
(Total liabilities)	101,266	34.2	104,529	34.9	(3,263)
Minority interests	90	0.0	87	0.0	3
Common stock	12,203	4.1	12,203	4.1	-
Capital surplus	22,325	7.5	22,325	7.4	-
Retained earnings	168,944	57.0	168,383	56.1	561
Net unrealized holding gain on securities	(2,227)	(0.7)	(880)	(0.3)	(1,347)
Foreign currency translation adjustments	(5,044)	(1.7)	(5,529)	(1.8)	485
Cost of treasury stock	(1,064)	(0.4)	(1,064)	(0.4)	0
(Total stockholders' equity)	195,137	65.8	195,438	65.1	(301)
Total liabilities, minority interests and stockholders' equity	296,493	100.0	300,054	100.0	(3,561)

Consolidated Statements of Income

Description	First Quarter of Fiscal 2004 (April 1, 2004 through June 30, 2004)		First Quarter of Fiscal 2003 (April 1, 2003 through June 30, 2003)		Increase/ decrease	Change
	Amount	Ratio to net sales	Amount	Ratio to net sales		
	Millions of yen	%	Millions of yen	%	Millions of ye	%
Net sales	50,887	100.0	53,297	100.0	(2,410)	95.5
Cost of sales	33,976	66.8	34,301	64.4	(325)	99.1
Gross profit	16,911	33.2	18,996	35.6	(2,085)	89.0
Selling, general and administrative expenses	14,688	28.8	15,861	29.7	(1,173)	92.6
Operating income	2,223	4.4	3,135	5.9	(912)	70.9
Other income	1,012	2.0	895	1.7	117	113.1
Interest and dividend income	574		576		(2)	
Equity in earnings of non-consolidated subsidiaries and affiliates	46		26		20	
Miscellaneous income	392		293		99	
Other expenses	592	1.2	711	1.4	(119)	83.3
Interest expenses	236		292		(56)	
Miscellaneous expenses	356		419		(63)	
Ordinary income	2,643	5.2	3,319	6.2	(676)	79.6
Extraordinary gains	276	0.5	-	-	276	-
Gain on sales of fixed assets	6		-		6	
Gain on sales of investment securities	270		-		270	
Extraordinary losses	412	0.8	100	0.2	312	412.0
Loss on disposal of fixed assets	77		100		(23)	
Loss on revaluation of investment securities	335		-		335	
Income before income taxes and minority interest	2,507	4.9	3,219	6.0	(712)	77.9
Income taxes - current	942	1.9	1,368	2.5	(426)	68.9
Income taxes - deferred	24	0.0	(10)	(0.0)	34	-
Minority interests	4	0.0	(9)	(0.0)	13	-
Net income	1,537	3.0	1,870	3.5	(333)	82.2

Consolidated Statements of Cash Flows

Description	First Quarter of Fiscal 2004 (April 1, 2004 through June 30, 2004)	First Quarter of Fiscal 2003 (April 1, 2003 through June 30, 2003)
	Amount	Amount
I Cash flows from operating activities	Millions of yen	Millions of yen
Net profit before income taxes and minority interests	2,507	3,219
Depreciation	2,868	2,828
Decrease (increase) in trade notes and accounts receivables	(1,768)	1,295
Decrease (increase) in inventories	(2,662)	(2,287)
Increase (decrease) in trade notes and accounts payables	(691)	(716)
Other	(2,900)	(1,562)
Net cash provided by (used in) operating activities	(2,646)	2,777
II Cash flows from investing activities		
Purchase of tangible fixed assets	(4,496)	(3,973)
Net proceeds from sales and purchase of investment securities	6,703	1,863
Other	157	(140)
Net cash provided by (used in) investing activities	2,364	(2,250)
III Cash flows from financing activities		
Increase (decrease) in debt	(174)	182
Dividends paid to stockholders	(939)	(939)
Net cash used in financing activities	(1,113)	(757)
IV Effect of exchange rate changes on cash and cash equivalents	275	108
V Net increase (decrease) in cash and cash equivalents	(1,120)	(122)
VI Cash and cash equivalents at beginning of year	25,713	26,151
VII Cash and cash equivalents of initially consolidated subsidiaries at beginning of year	-	608
VIII Cash and cash equivalents at end of year	24,593	26,637