



Summary of Consolidated Financial Results for the Third Quarter ended December 31, 2002

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1. Business results and financial position for period ended December 31, 2002 (April 1, 2002 through December 31, 2002)

(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 | % |
| December 31, 2002 | 166,845 | 1.1 | 13,038 | 65.9 | 13,080 | 87.4 | 6,932 | 181.6 |
| December 31, 2001 | 165,073 | 4.5 | 7,859 | (2.6) | 6,981 | - | 2,462 | - |
| March 31, 2002 | 220,067 | 5.0 | 14,557 | 46.0 | 13,089 | 57.9 | 1,513 | (54.8) |

| | Net income per share | | Net income per share (Diluted) | |
|-------------------|----------------------|--|--------------------------------|--|
| | Yen | | Yen | |
| December 31, 2002 | 69.71 | | 68.26 | |
| December 31, 2001 | 24.76 | | 24.29 | |
| March 31, 2002 | 15.21 | | 15.00 | |

Note: Percentage change is the ratio of increase or decrease in each item of business results for the period ended December 31, 2001

(2) Financial Position

| | Total assets | Stockholders' equity | Stockholders' equity ratio | Stockholders' equity per share |
|-------------------|-----------------|----------------------|----------------------------|--------------------------------|
| | Millions of yen | Millions of yen | % | Yen |
| December 31, 2002 | 300,871 | 193,827 | 64.4 | 1,949.33 |
| December 31, 2001 | - | - | - | - |
| March 31, 2002 | 294,413 | 190,463 | 64.7 | 1,915.28 |

2. Forecast for business results for the fiscal ending March 31, 2003 (April 1, 2002 through March 31, 2003)

| | 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 |
| March 31, 2003 | 222,000 | 15,700 | 16,000 | 8,000 | 80.45 |

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

Reference

1. Overview of third quarter business results for the fiscal year ending March 31, 2003 (April 1, 2002 to December 31, 2002)

In the third quarter, the Japanese economy continued to be plagued by a delayed worldwide recovery owing to concerns over current international affairs as well as by prolonged poor stock performance in the domestic market.

Against this backdrop, brisk performance in optical media and rechargeable batteries contributed to a 1.1% rise in consolidated net sales to ¥166,845 million. Consolidated operating income rose 65.9% to ¥13,038 million on account of higher profits from sales growth in rechargeable batteries, higher sales in high-value-added products and reduction of costs companywide. Consolidated ordinary income increased 87.4% to ¥13,080 million and consolidated net income rose 181.6% to ¥6,932 million.

The sales performance for respective business segments is summarized as follows.

Information Storage Media

In magnetic storage media, the continual replacement of computer tapes with those featuring higher storage capacity has spurred robust sales growth in 100GB and higher-class products. In optical media, recordable DVD discs performed robustly on the back such factors as more widespread use of DVD multi-drives that are compatible with multiple disc standards. Floppy disks sale fell as a result of a contracting market.

In aggregate, despite a 1.6% decline in net sales to ¥82,521 million in this division, operating income rose 20.3% to ¥10,560 million on account of higher sales of high-value-added products and lower costs.

Audio-Video Tape

While sales of video tapes rose amid brisk performance in VHS video tapes in particular, other products suffered lagging sales within contracting markets to produce a 9.1% fall in sales for this division to ¥33,705 million. On the other hand, operating income rose 102.7% to ¥1,512 million owing to streamlining of operational structures and cost-reduction efforts.

Battery and Electric Appliances

Sales of rechargeable batteries grew briskly on the back of greatly expanding sales of lithium ion batteries for mobile phones. In primary batteries, micro batteries achieved steady sales growth following a recovery in demand in watches and IT equipment, while alkaline dry batteries made a strong showing in overseas markets. In aggregate, sales in this division increased 14.6% to ¥50,619 million and operating income was ¥966 million, compared with an operating loss of ¥1,667 million for the same period last year.

2. Outlook for the fiscal year ending March 31, 2003 (April 1, 2002 to March 31, 2003)

Given the strong showing of Maxell's rechargeable batteries for the third quarter, consolidated fiscal year projections announced during the release of the interim earnings report in October 2002 have been revised as outlined below. Consolidated net sales are projected to rise 0.9% to ¥222,000 million, consolidated operating income will increase 7.9% to ¥ 15,700 million, consolidated ordinary income will rise 22.2% to ¥16,000 million and consolidated net income will jump 428.8% to ¥8,000million.

(Millions of yen; %)

| | Net Sales | Operating Income | Ordinary Income | Net Income |
|---|-----------|------------------|-----------------|------------|
| Previous Projection (October 25, 2002) | 220,000 | 15,000 | 15,000 | 7,500 |
| Revised Projection (January 29, 2003) | 222,000 | 15,700 | 16,000 | 8,000 |
| Increase/Decrease | 2,000 | 700 | 1,000 | 500 |
| Change (%) | 0.9 | 4.7 | 6.7 | 6.7 |
| Previous Fiscal Year (Year ended March 31, 2002) | 220,067 | 14,557 | 13,089 | 1,513 |

Note: This document contains forward-looking statements which reflect management's current views with respect to certain future events and financial performance. Such statements are provided solely for the reference of the reader. Actual results may differ materially from those projected or implied in the forward-looking statements, which are not promises, commitments or guarantees to attain such results.

Consolidated Net Sales and Operating Income(Loss) by Segment

(Millions of yen)

| | Three months ended December 31 | | | Nine months ended December 31 | | |
|--------------------------------|--------------------------------|--------|------------|-------------------------------|---------|------------|
| | 2002 | 2001 | Change (%) | 2002 | 2001 | Change (%) |
| Net sales | 61,378 | 60,732 | 1.1 | 166,845 | 165,073 | 1.1 |
| Information Storage Media | 29,243 | 31,090 | (5.9) | 82,521 | 83,821 | (1.6) |
| Audio-Video Tape | 13,496 | 13,834 | (2.4) | 33,705 | 37,091 | (9.1) |
| Battery and Electric Appliance | 18,639 | 15,808 | 17.9 | 50,619 | 44,161 | 14.6 |
| Operating income | 5,468 | 3,480 | 57.1 | 13,038 | 7,859 | 65.9 |
| Information Storage Media | 4,174 | 3,318 | 25.8 | 10,560 | 8,780 | 20.3 |
| Audio-Video Tape | 647 | 354 | 82.8 | 1,512 | 746 | 102.7 |
| Battery and Electric Appliance | 647 | (192) | - | 966 | (1,667) | - |
| Ordinary income | 5,561 | 3,594 | 54.7 | 13,080 | 6,981 | 87.4 |
| Net income | 3,100 | 2,236 | 38.6 | 6,932 | 2,462 | 181.6 |

Geographic Segments

(Millions of yen)

| | Three months ended December 31 | | | Nine months ended December 31 | | |
|----------------------|--------------------------------|--------|------------|-------------------------------|---------|------------|
| | 2002 | 2001 | Change (%) | 2002 | 2001 | Change (%) |
| Net sales (Overseas) | 40,050 | 41,439 | (3.4) | 110,462 | 113,346 | (2.5) |
| United States | 21,111 | 23,071 | (8.5) | 59,054 | 62,271 | (5.2) |
| Europe | 11,702 | 12,850 | (8.9) | 31,353 | 34,162 | (8.2) |
| Asia and Other areas | 7,237 | 5,518 | 31.2 | 20,055 | 16,913 | 18.6 |
| Net sales (Domestic) | 21,328 | 19,293 | 10.5 | 56,383 | 51,727 | 9.0 |
| Net sales | 61,378 | 60,732 | 1.1 | 166,845 | 165,073 | 1.1 |

Consolidated Balance Sheets

| Description | As of December 31, 2002 | | As of March 31, 2001 | | Increase/decrease Millions of yen |
|---|---------------------------|------------------|---------------------------|------------------|--------------------------------------|
| | Amount Millions of yen | Composition % | Amount Millions of yen | Composition % | |
| Current assets | 118,337 | 39.3 | 122,369 | 41.6 | (4,032) |
| Cash and time deposits | 16,083 | | 14,710 | | 1,373 |
| Trade notes and Accounts receivables | 46,241 | | 40,827 | | 5,414 |
| Marketable securities | 15,261 | | 23,588 | | (8,327) |
| Inventories | 30,286 | | 32,714 | | (2,428) |
| Other current assets | 10,466 | | 10,530 | | (64) |
| Fixed assets | 182,534 | 60.7 | 172,044 | 58.4 | 10,490 |
| Tangible fixed assets | 84,543 | 28.1 | 84,708 | 28.8 | (165) |
| Intangible fixed assets | 1,932 | 0.7 | 2,162 | 0.7 | (230) |
| Investments and other assets | 96,059 | 31.9 | 85,174 | 28.9 | 10,885 |
| Total assets | 300,871 | 100.0 | 294,413 | 100.0 | 6,458 |
| Current liabilities | 56,928 | 18.9 | 53,093 | 18.0 | 3,835 |
| Trade notes and accounts payables | 17,183 | | 15,396 | | 1,787 |
| Short-term bank loans | 2,509 | | 4,069 | | (1,560) |
| A convertible bond redeemable within one year | 4,640 | | 4,640 | | - |
| Other current liabilities | 32,596 | | 28,988 | | 3,608 |
| Long-term liabilities | 49,969 | 16.6 | 50,407 | 17.1 | (438) |
| Bonds | 30,000 | | 30,000 | | - |
| Long-term debt | 1,116 | | 1,771 | | (655) |
| Allowance for retirement benefit | 16,158 | | 16,005 | | 153 |
| Other fixed liabilities | 2,695 | | 2,631 | | 64 |
| (Total liabilities) | 106,897 | 35.5 | 103,500 | 35.1 | 3,397 |
| Minority interests | 147 | 0.1 | 450 | 0.2 | (303) |
| Common stock | 12,203 | 4.1 | 12,203 | 4.2 | - |
| Capital reserve | - | - | 22,325 | 7.6 | (22,325) |
| Capital surplus | 22,325 | 7.4 | - | - | 22,325 |
| Consolidated surplus | - | - | 159,569 | 54.2 | (159,569) |
| Retained earnings | 164,504 | 54.7 | - | - | 164,504 |
| Net unrealized holding gain on securities | (1,193) | (0.4) | (1,398) | (0.5) | 205 |
| Foreign currency translation adjustments | (3,782) | (1.3) | (2,025) | (0.7) | (1,757) |
| Cost of treasury stock | (230) | (0.1) | (211) | (0.1) | (19) |
| (Total stockholders' equity) | 193,827 | 64.4 | 190,463 | 64.7 | 3,364 |
| Total liabilities, minority interests and stockholders' equity | 300,871 | 100.0 | 294,413 | 100.0 | 6,458 |

Consolidated Statements of Income

| Description | (April 1, 2002 through December 31, 2002) | | (April 1, 2001 through December 31, 2001) | | Increase/ decrease | Change |
|---|--|-------------|--|-------------|-----------------------|--------|
| | Amount | Composition | Amount | Composition | | |
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Net sales | 166,845 | 100.0 | 165,073 | 100.0 | 1,772 | 101.1 |
| Cost of sales | 103,499 | 62.0 | 106,365 | 64.4 | (2,866) | 97.3 |
| Gross profit | 63,346 | 38.0 | 58,708 | 35.6 | 4,638 | 107.9 |
| Selling, general and administrative expenses | 50,308 | 30.2 | 50,849 | 30.8 | (541) | 98.9 |
| Operating income | 13,038 | 7.8 | 7,859 | 4.8 | 5,179 | 165.9 |
| Other income | 2,446 | 1.5 | 2,449 | 1.4 | (3) | 99.9 |
| Interest and dividend income | 1,716 | | 1,534 | | | |
| Equity in earnings of non- consolidated subsidiaries and affiliates | 209 | | - | | | |
| Miscellaneous income | 521 | | 915 | | | |
| Other expenses | 2,404 | 1.5 | 3,327 | 2.0 | (923) | 72.3 |
| Interest expenses | 822 | | 1,355 | | | |
| Equity in losses of non- consolidated subsidiaries and affiliates | - | | 18 | | | |
| Miscellaneous expenses | 1,582 | | 1,954 | | | |
| Ordinary income | 13,080 | 7.8 | 6,981 | 4.2 | 6,099 | 187.4 |
| Extraordinary gains | 48 | 0.0 | 213 | 0.1 | (165) | 22.5 |
| Gain on sales of fixed assets | 48 | | 130 | | | |
| Gain on sales of investment securities | - | | 83 | | | |
| Extraordinary losses | 1,429 | 0.8 | 2,972 | 1.8 | (1,543) | 48.1 |
| Loss on disposal of fixed assets | 855 | | 1,903 | | | |
| Loss on revaluation of investment securities | 529 | | 138 | | | |
| Loss on sales of investments in affiliates | - | | 12 | | | |
| Write-down of golf club membership | 10 | | 94 | | | |
| Allowance for special retirement | 35 | | 48 | | | |
| Closing expenses for overseas plants | - | | 777 | | | |
| Income before income taxes and minority interest | 11,699 | 7.0 | 4,222 | 2.5 | 7,477 | 277.1 |
| Income taxes - current | 5,914 | 3.5 | 3,053 | 1.8 | 2,861 | 193.7 |
| Income taxes - deferred | (1,158) | (0.7) | (1,295) | (0.8) | 137 | 89.4 |
| Minority interests | 11 | 0.0 | 2 | 0.0 | 9 | 550.0 |
| Net income | 6,932 | 4.2 | 2,462 | 1.5 | 4,470 | 281.6 |