

Hitachi Maxell

Consolidated Results

3Q of Fiscal Year 03/2006

February 1, 2006

maxell

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1. Consolidated Results for 3Q

Consolidated Results for 3Q of 03/2006

(millions of yen)

3Q of FY 03/05 3Q of FY03/06 year-on-year

Net sales	54,628	56,681	+2,053	+3.8%
Operating income	264	3,037	+2,773	+1,050.4%
Ordinary income	468	3,038	+2,570	+549.1%
Net income	742	1,890	+1,148	+154.7%
Exchange rate	\$1=¥105	\$1=¥117		

Factor Analysis for 3Q of 03/06

Change

(FY 03/2005) → (FY 03/2006)

Factor Analysis

billions of yen

■ Sales

+21
(546 → 567)

Volume	+14
Unit Price	△25
Exchange rate	+32

■ Operating income

+27
(3 → 30)

Volume	+5
Unit Price	△25
Exchange rate	+10
Cost reduction and others	+37

Segment Information (year-on-year)

(millions of yen)

3Q of FY 03/2006

	Sales (year-on-year)		Operating income (year-on-year)	
Information Storage Media	30,622	(+8.5%)	1,945	(+2,831)
Audio Video Tape	7,324	(Δ 23.1%)	87	(Δ 537)
Battery and Electric Appliance	18,735	(+10.9%)	1,005	(+479)
Total	56,681	(+3.8%)	3,037	(+2,773)

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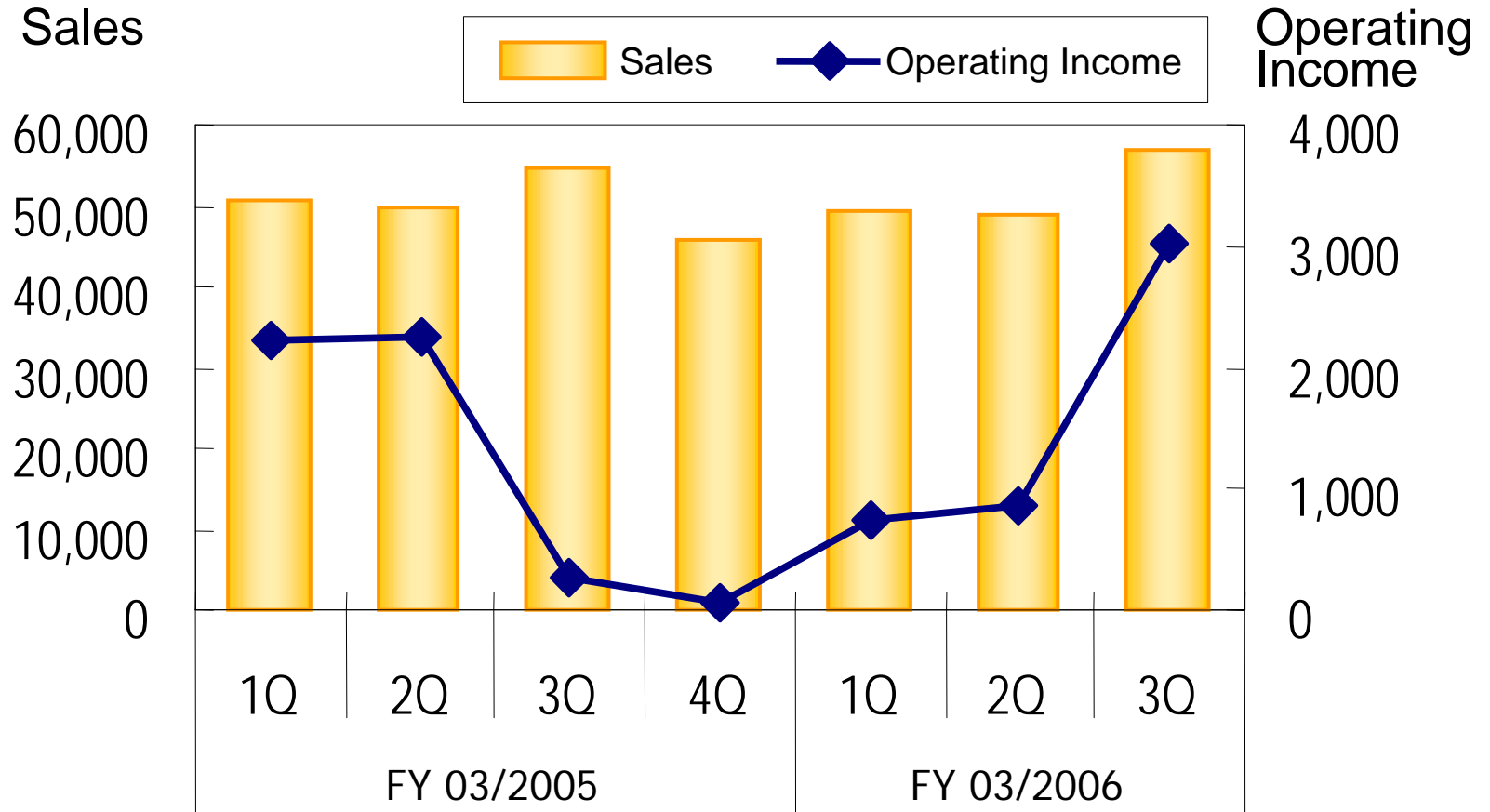
Segment Information (quarter-on-quarter)

(millions of yen)

	Sales		Operating Income	
	Q2 FY03/06	Q3 FY03/06 (quarter-on-quarter)	Q2 FY03/06	Q3 FY03/06 (quarter-on-quarter)
Information Storage Media	26,658	30,622 (+14.9%)	627	1,945 (+1,318)
Audio Video Tape	6,316	7,324 (+16.0%)	△ 229	87 (+316)
Battery and Electric Appliance	15,800	18,735 (+18.6%)	459	1,005 (+546)
Total	48,774	56,681 (+16.2%)	857	3,037 (+2,180)

Trends in Quarterly Results

(millions of yen)



2. Projections of FY 03/2006

Projections of FY 03/2006

(millions of yen)

	Projection on October (A)	Projection on February (B)	(year-on-year)	(B) – (A)
Net sales	196,000	203,000	(+0.9%)	(+7,000)
Operating income	3,500	5,000	(+4.2%)	(+1,500)
Ordinary income	5,100	6,500	(+3.8%)	(+1,400)
Net income	2,400	2,400	(+59.9%)	(0)
Exchange rate	\$1=¥107	\$1=¥114		

Segment Information

(comparison with the previous projection)

Projections of FY 03/2006

(millions of yen)

	Sales (year-on-year)	Operating Income (year-on-year)	Comparison with the previous projection	
			Sales	Operating Income
Information Storage Media	110,300 (+4.6%)	3,200 (+1,876)	+2,300	+1,000
Audio Video Tape	24,900 (Δ 22.1%)	Δ 100 (Δ 1,288)	+900	0
Battery and Electric Appliance	67,800 (+6.3%)	1,900 (Δ 386)	+3,800	+500
Total	203,000 (+0.9%)	5,000 (+202)	+7,000	+1,500

3. Progress of Management Policies

Management Policies for FY 03/2006

- **Strengthen management essentials**
- **Re-invigoration of core business**
- **Early results through increased competitiveness in our Next Keystone Business**

Strengthening Management Essentials

"Reproduction/Reform Movement" Under Development

Key Words

"Selection & Focus" "Innovation & Speed" "Awareness Reform"

Main Activities

1. Important Management Resource Investment by "Selection & Focus"

- Focus on Optical components & Functional Materials for New Businesses
- Selection & Focus on Development Theme, Path to Industrialization Process

2. Stronger Consolidation thru Improved Speed & Organizational Adjustment

- Information Sharing Thru Global Integration of IT Systems
- Group Reorganization

3. Awareness Reform with Everyone's Participation

Re-invigoration of Core Business

- **Comprehensive Cost Reductions
(Linked Directly to Earnings)**
- **Elimination of Production Losses &
Inventory Reduction**
- **Stronger Business activity & Efficiency**

Recovery of Main Product Results

Computer Tapes

Expansion of High Capacities Products

Lithium ion rechargeable batteries

Increases from Consumer Development

Optical Medias

BCN AWARD* Winner 2 Straight Years

- **BCN AWARD: Awarded to Vendors with High Sales Based on
POS Sales Data of Leading Domestic PC Stores**

From New Business to Keystone Business

Optical Components

- Further Development of High-Pixel Camera Lens/Lens Units, Compound-Compatible Pickup Lenses, etc.
- View on Overseas Markets, Merger of 2 Overseas Group Companies (January)

Function Material

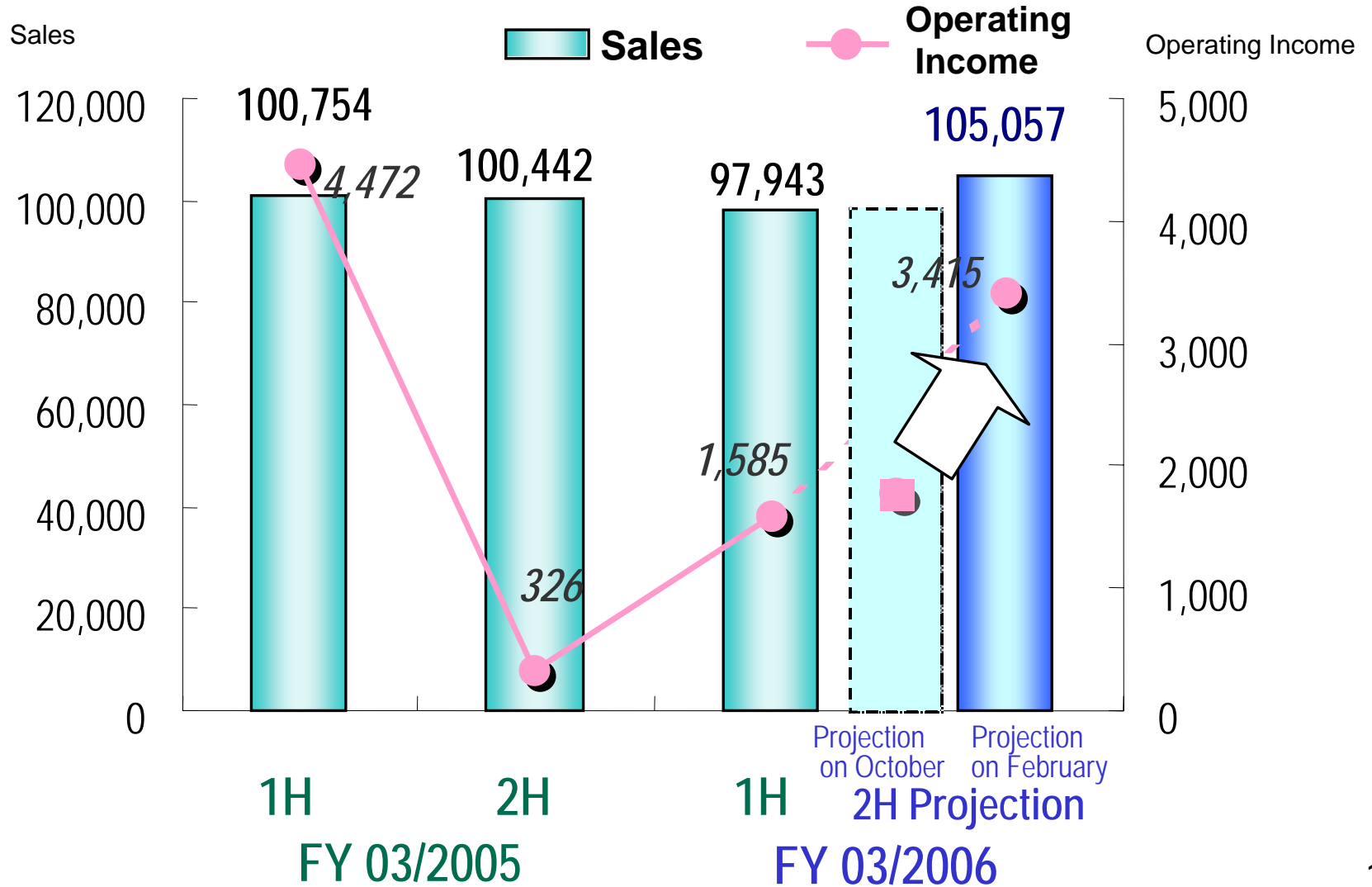
- Development promotion and Shipment start of Display Film

RFID

- Integration of Card Firm into Group Completed (October 05), Organizational Standardization in Progress

Projection for FY 03/2006

(millions of yen)



Note: This document contains forward-looking statements which reflect management's current views and judgments 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.

Appendix : Major Business Lines

Information Storage Media

DVDs, CDs, Computer Tapes, Broadcasting Video Tapes, Floppy Disks, MO Disks, Memory Cards, Coil-on Chip RFID System, Optical Components, Function Material, etc.

Audio-Video Tape

Video Tapes, MDs, Audio Cassettes, etc.

Battery and Electric Appliance

Lithium Ion Rechargeable Batteries, Dry Cell Batteries, Coin-Type Lithium Manganese Dioxide rechargeable Batteries, Silver Oxide Batteries, Manganese Lithium Batteries, Small Electric Appliances, etc.