

Hitachi Maxell Consolidated Results

For the 3ST Quarter of FY March 2007

(April 1, 2006 - December 31, 2006)

February 1, 2007

The Maxell logo is displayed in a bold, red, sans-serif font. The letters are thick and blocky, with a slight shadow effect. The 'm' and 'x' are particularly prominent.

Contents

1. Consolidated Results for 3Q of FY March 2007

2. Topics

3. Projection of FY March 2007

1. Consolidated Results for 3Q of FY March 2007

Consolidated Results for 3Q of FY March 2007

(Three-months period)	(millions of yen)		
	FY Mar 2006 3Q	FY Mar 2007 3Q	Change
Net sales	56,681	54,288	-4.2%
Operating income	3,037	1,583	-47.9%
Ordinary income	3,038	2,003	-34.1%
Net income	1,890	1,006	-46.8%
Capital expenditure	1,514	2,686	+77.4%
Depreciation	3,025	2,891	-4.4%
R&D expenses	2,145	2,242	+4.5%
Exchange rate	\$1=¥117	\$1=¥118	
	€1=¥140	€1=¥153	

Factor Analysis for 3Q of FY March 2007 (year-on-year)

Change

(3Q of FY Mar 2006→
3Q of FY Mar 2007: Three-months period)

Factor Analysis

(100 millions of
yen)

■ Net sales

-24

(567→543)

Volume -10

Unit price -23

Exchange rate +9

■ Operating income

-14

(30→16)

Volume -3

Unit price -23

Exchange rate +2

**Cost reduction
and others +10**

Consolidated Results for 3Q of FY March 2007

(Nine-months period)

(millions of yen)

	FY Mar 2006 3Q	FY Mar 2007 3Q	Change
Net sales	154,624	153,417	-0.8%
Operating income	4,622	5,665	+22.6%
Ordinary income	5,706	6,429	+12.7%
Net income	3,059	2,381	-22.2%
Capital expenditure	4,981	8,854	+77.8%
Depreciation	8,013	7,596	-5.2%
R&D expenses	6,259	6,609	+5.6%
Exchange rate	\$1=¥113	\$1=¥116	
	€1=¥137	€1=¥149	

Factor Analysis for 3Q of FY March 2007 (year-on-year)

Change

(3Q of FY Mar 2006→
3Q of FY Mar 2007:Nine-months
period)

Factor Analysis

(100 millions of
yen)

■ Net sales

-12

(1,546→1,534)

Volume	+16
Unit price	-68
Exchange rate	+40

■ Operating income

+11

(46→57)

Volume	+6
Unit price	-68
Exchange rate	+13
Cost reduction and others	+60

Segment Information for 3Q of FY March 2007 (year-on-year)

(Three-months period)

(millions of yen)

Net sales

Operating income

	FY Mar 2006 3Q	FY Mar 2007 3Q (change)	FY Mar 2006 3Q	FY Mar 2007 3Q (change)
Information Storage Media	35,914	31,828 (-11.4%)	3,026	1,597 (-1,429)
Battery	11,635	12,700 (+9.2%)	569	412 (-157)
Material- Device-Electric Appliance	9,132	9,760 (+6.9%)	-558	-426 (+132)
Total	56,681	54,288 (-4.2%)	3,037	1,583 (-1,454)

Segment Information for 3Q of FY March 2007 (quater-on-quater)

(millions of yen)

	Net sales		Operating income	
	FY Mar 2007 2Q	FY Mar 2007 3Q (change)	FY Mar 2007 2Q	FY Mar 2007 3Q (change)
Information Storage Media	28,701	31,828 (+10.9%)	2,063	1,597 (-466)
Battery	11,776	12,700 (+7.8%)	428	412 (-16)
Material-Device-Electric Appliance	9,785	9,760 (-0.3%)	205	-426 (-631)
Total	50,262	54,288 (+8.0%)	2,696	1,583 (-1,113)

2. Topics

Reconstructing and Newly Developing Core Operations

Core operations	Market conditions and Maxell's initiatives
Computer tapes	<ul style="list-style-type: none">■ Increased production of high-storage-capacity products, prices trending downward□ Will work to expand total sales volumes while focusing efforts on increasing sales of brand products□ Planning to market next-generation high-storage-capacity products from FY2007
Optical discs	<ul style="list-style-type: none">■ Won BCN Award in three categories (DVD, CD, MO) for third consecutive year* DVD: 1st (24%), CD: 1st (26%), MO: 1st (53%)□ Will implement full-fledged Super ODM (strategic production outsourcing) and bring products to domestic market <p>*BCN Award: Presented to vendors with the highest sales volumes based on the POS sales data of leading domestic PC stores in Japan</p>
Lithium ion rechargeable batteries	<ul style="list-style-type: none">■ Brisk shipments for advanced cellular telephones and amusement devices□ Planning to increase production capacity in China by 2 million units per month (giving production capacity of 14.5 million units per month worldwide) by summer 2007
Primary batteries	<ul style="list-style-type: none">■ Increased sales of high-value-added micro batteries■ Sales of alkaline dry batteries remain brisk

Developing Robust New Businesses Early and Acquiring New Technology for the Future

New Businesses

Market Conditions and Maxell's initiatives

Optical components

- Pickup lenses for optical drives
 - Began shipments of slim super multi and ultra slim types
 - Shipments of sample products for BDs underway
- Camera lenses
 - Products for cellular telephones and vehicle mounting performed favorably
- Raised production capacity to increase sales volumes

Functional materials

- Will work to establish highly efficient production of flat panel displays
- Will work to improve earnings steadily by advancing further cost reductions
- Will enhance in-house organization to strengthen operations

Acquiring new technology for the future

- Will bring forward shipments of sample products and commercialization of SVOD* and mid-size lithium ion rechargeable batteries
- Currently increasing the number and quality of themes for acquiring new technology for the future

* (SVOD:Stack Volumetric Optical Discs)

Bolstering and Exploiting Our Organizational Strength



Pursuing MPI (Maxell Process Innovation) initiatives

Objectives

- Enhancement of management efficiency through improvement of operational processes (procurement, production, sales)
- Strengthen our organization by enhancing manufacturing and personnel

Initiatives

- Creation of a Maxell Way combining Six Sigma and lean production systems
- Innovation of procurement/production/sales management processes and continuation of efforts to make waste visible and eliminate it

Examples of Initiatives

- Introduced at Ono Works (micro battery production) from June 2006
⇒ Reduction of product and in-process inventory, reduction of manufacturing loss, and shortening of lead time



- Implemented at Osaka Works (Alkaline dry battery production) from January 2007, and to be implemented at Kyoto Works (magnetic tape production) from April 2007

Bolstering and Exploiting Our Organizational Strength

Establishment of the Value Engineering Division (January 1, 2007)

Objectives

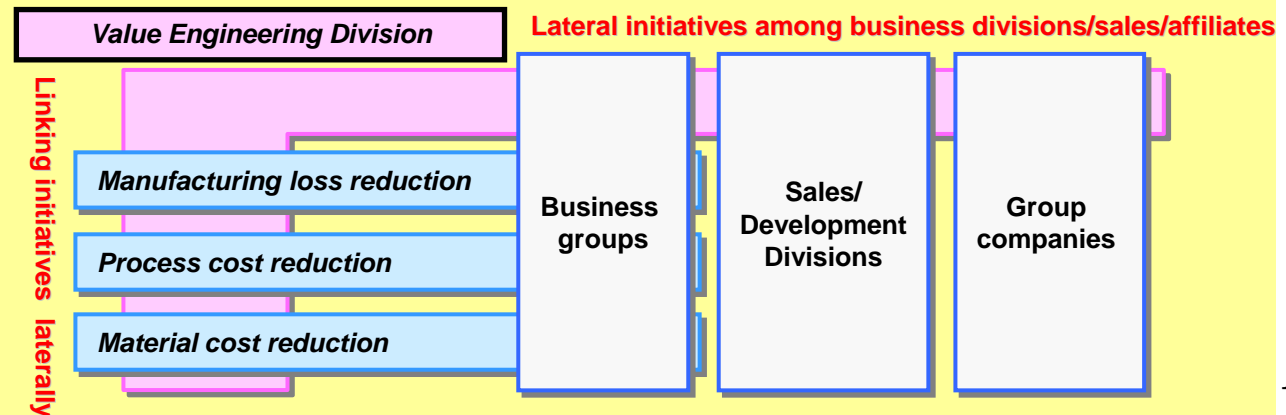
- Aggressive pursuit of a top-down approach to companywide comprehensive cost reduction activities
- Profit creation throughout the company in accordance with medium-term business plan

Initiatives

- Initiatives that laterally encompass themes (manufacturing loss reduction, processing cost reduction, material cost reduction)
- Lateral initiatives involving business groups, sales divisions, development divisions, and group companies



Reduction of total cost from development stage through to production/sales



3. Projection of FY March 2007

Revision of Business Forecast for the FY March 2007

(millions of yen)

	FY March 2006 Results	FY March 2007 Projections	year-on- year
Net sales	204,131	206,000	+0.9%
Operating income	5,592	6,800	+21.6%
Ordinary income	7,264	7,400	+1.9%
Net income	3,235	3,300	+2.0%
Capital Expenditure	8,971	12,000	+33.8%
Depreciation	10,382	11,200	+7.9%
R&D expenses	8,269	9,100	+10.0%
Exchange rate	\$1=¥114 €1=¥138	\$1=¥117 €1=¥150	

Segment Information for 3Q of FY March 2007 (year-on-year)

(millions of yen)

Net sales

Operating income

	FY March 2006 Results	FY March 2007 Projections (change)	FY March 2006 Results	FY March 2007 Projections (change) [Previous forecast]
Information Storage Media	128,407	119,300 (-7.1%)	5,929	5,700 (-229) [5,000]
Battery	39,692	47,000 (+18.4%)	1,216	1,800 (+584)
Material-Device-Electric Appliance	36,032	39,700 (+10.2%)	-1,553	-700 (+853) [±0]
Total	204,131	206,000 (+0.9%)	5,592	6,800 (+1,208)

17

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.

Reference : Major Business Lines

Segment	Main Products
Information Storage Media	Computer tapes, Broadcasting video tapes, HD DVDs, Blu-ray Discs, DVDs, CDs, MO Disks, Floppy Disks, MiniDiscs, Audio tapes, Video tapes
Battery	Lithium ion rechargeable batteries, Coin-type lithium rechargeable batteries, Silver oxide batteries, Alkaline dry batteries
Material-Device-Electronic Appliance	Optical components, Functional materials, RFID systems, IC cards, Small electric appliances, Electroforming/precision components, Metal/plastic molded products, etc.