

FOR IMMEDIATE RELEASE

## Hitachi Maxell and Chinontec Agree on Operational and Capital Tie-up to Strengthen Optical Components Businesses

Tokyo, December 10, 2007 --- Hitachi Maxell, Ltd., (Yoshito Tsunoda, President and CEO) and Chinontec Industries, Inc., (Tomoo Fujimori, President) today announced that they concluded an agreement for an operational and capital tie-up to strengthen both companies' optical components businesses.

Based on this agreement, the companies will add further value to their existing products by combining Maxell's technology for micro/thin lens units and optical design technology for aspherical lenses with Chinontec's glass/plastic hybrid lens technology, alignment assembly technology, optical engine technology, and image stabilization technology to advance the multifunctionality and modularization of lens units. At the same time, the companies will create new businesses in such areas of the optical components market as security and medical treatment.

In addition, the companies agreed that Maxell will assume the total amount of Chinontec's third-party allocation of new shares, scheduled on December 13, 2007, thereby acquiring 700 newly issued shares and an approximately 19% ownership of Chinontec's issued and outstanding shares.

Based on this operational and capital tie-up, the companies will intensify collaboration through measures including personnel exchanges to maximize mutual synergies and increase their respective corporate values.

Accompanying the market expansion of recent years, electronic information devices such as cellular telephones, digital cameras and optical disc drives have emerged with increasingly diverse and advanced functions. Manufacturers of such electronic information devices are seeking smaller, thinner optical components with higher resolutions because these components are key to improving the performance of devices. Catering to that demand by combining technologies for the development, design, and production of lenses, lens units, modules, and optical devices will likely create new markets for micro precision optical modules and other products with even higher added values.

Maxell capitalizes on original high-precision optical design technology, precision molding technology, and precision substrate molding technology in its optical components business to develop and produce pickup lenses for optical disc drives that realize excellent light use efficiency and thin-type, high-resolution micro lens units used for cellular telephones and automobiles.

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Chinontec exploits strengths in optical design technology, mechanism design technology, assembly technology based on optical axis alignment, and advanced automatic evaluation equipment. The company has world-class technology for optical lenses used in digital cameras, imaging units, and engines and projection lenses used for LCD projectors as well as substantial shares of markets for these products worldwide.

Through this operational tie-up, the companies will combine Maxell's optical design technology for aspherical lenses and technology for micro/thin lens units with Chinontec's optical design technology, mechanism design technology, and optical axis alignment assembly technology to realize the early development and marketing of high-value-added products. These products will include advanced lens units incorporating such functions as image stabilization, autofocus, and zoom for digital cameras and other digital mobile devices; ultra-wide-angle zoom lens units for security cameras; objective lenses for Blu-ray Discs; and camera modules for vehicle mounting.

Further, in the medium-to-long term the companies will combine Maxell-developed engineering/plastic plating technology that uses supercritical carbon dioxide with Chinontec's optical engine technology and projection lens technology to develop new businesses for such micro precision optical modules as micro videoscopes and mobile projectors. These businesses will target the industrial and medical treatment sectors.

Also, the companies agreed on production collaboration aimed at catering to future increases in demand for optical components, securing production capacity, and improving cost competitiveness. Moreover, the companies will use each other's sales channels to access new customers. Maxell will gain access to manufacturers of medical treatment equipment and precision optical devices, while Chinontec will gain access to the mass-produced products area.

Maxell is pursuing initiatives guided by a medium-term business plan, covering the period through to the end of March 2011, which positions batteries, optical components, and functional materials as three businesses for priority strengthening because of the high growth and profitability that they promise. In optical components, Maxell is strengthening operations by seeking thin-type, high-resolution products and investing in increased production capacity.

As an optomechanics manufacturer offering comprehensive support that ranges from development and design through to the mass production and assembly of components, Chinontec develops units that are indispensable for a variety of optical devices while striving to provide high-quality products in a timely manner. Further, Chinontec will leverage its original optical technology to actively develop new businesses.

This operational and capital tie-up will mutually strengthen the optical components businesses of both companies and enable both companies to optimize synergies and further raise their corporate values.

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**<Summary of capital tie-up>**

Maxell will assume the total amount of Chinontec's third-party allocation of new shares.

1. Number of shares to be assumed: 700 shares
2. Transfer date: December 13, 2007
3. Percentage of shares owned before and after share acquisition
  - Number of shares owned before transfer: 0 shares (percentage of shares owned: 0%)
  - Number of shares owned after transfer: 700 shares (percentage of shares owned: 18.9%)

**< About Hitachi Maxell>\***

- (1) Company name: Hitachi Maxell, Ltd.
- (2) Main business lines: manufacture and sale of computer tapes, optical discs, lithium ion rechargeable batteries, primary batteries, optical components, functional materials, etc.
- (3) Date of establishment: September 1960
- (4) Registered head office: 1-1-88, Ushitora, Ibaraki-shi, Osaka
- (5) Representative: Yoshito Tsunoda, President and CEO
- (6) Paid-in capital: 12,202.72 million yen
- (7) Sales: consolidated: 202,240 million yen, nonconsolidated: 115,223 million yen
- (8) Number of employees: consolidated: 4,663, nonconsolidated: 2,024
- (9) Principal shareholders and percentage of shares owned:

Hitachi, Ltd.	51.4%
The Master Trust Bank of Japan, Ltd.	5.6%
Japan Trustee Services Bank, Ltd.	5.3%
Caceis Bank, Ordinary Account	1.4%

**< About Chinontec>\***

- (1) Company name: Chinontec Industries, Inc.
- (2) Main business lines: manufacture and sale of optical devices such as LCD projectors and digital cameras, medical equipment, glass lenses, and plastic lenses, manufacture of molds, manufacture and sale of molded plastic products.
- (3) Date of establishment: September 1997
- (4) Location: 4710 Nakasu, Suwa-shi, Nagano Prefecture
- (5) Representative: Tomoo Fujimori, President
- (6) Paid-in capital: 100 million yen
- (7) Sales: consolidated: 26,760 million yen, nonconsolidated: 23,460million yen
- (8) Number of employees: consolidated: 915, nonconsolidated: 376
- (9) Principal shareholders and percentage of shares owned:

Employee Shareholding Association	19.3%
Tokyo Micro Inc.	13.3%
Flextronics Digital Design	6.7%
Hachijuni Capital Co., Ltd.	6.7%

\*Note: Paid-in capital, number of employees, and principal shareholders and percentage of shares owned are as of March 31, 2007.