

FOR IMMEDIATE RELEASE

July 28, 2009

To whom it may concern

Company name: Hitachi Maxell, Ltd.
 Representative: Yoshito Tsunoda, President and Chief Executive Officer
 (Code Number: 6810, First Section of the Tokyo Stock Exchange,
 First Section of the Osaka Securities Exchange)
 Contact: Yoshiyuki Kasuga, Division Manager of Legal & Corporate Communication Div.
 Phone: +81-3-3515-8283

Announcement Concerning Expression of Opinion for Tender Offer by Hitachi Ltd., for Shares of the Company

Hitachi Maxell, Ltd. (the “Company”), hereby announces that the Board of Directors of the Company resolved to support the tender offer (the “Tender Offer”) for the shares of common stock of the Company by Hitachi, Ltd. (the “Tender Offeror”), and to recommend that shareholders of the Company tender their shares in]the Tender Offer, at the meeting held as of the date hereof, as stated below.

The aforementioned resolution was adopted on the assumption that the Tender Offeror intends to make the Company a wholly owned subsidiary through the Tender Offer and a series of subsequent procedures and that the shares of the Company will be subject to delisting.

1. Summary Profile of the Tender Offeror

(1) Corporate Name	Hitachi, Ltd.	
(2) Head Office	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	
(3) Name and Title of Representative	Takashi Kawamura, Chairman, President and Chief Executive Officer	
(4) Description of Business	Manufacture and sale of electrical machinery and appliances	
(5) Paid-in Capital	¥282 billion (As of March 31, 2009)	
(6) Date of Establishment	February 1, 1920 (Business Commenced in 1910)	
(7) Major Shareholders and Shareholdings (as of March 31, 2009)	The Master Trust Bank of Japan, Ltd. (Trustee Account)	6.22%
	NATS CUMCO	5.60%
	(Standing proxy: Mizuho Corporate Bank, Ltd.)	
	Japan Trustee Services Bank, Ltd. (Trustee Account4G)	5.39%
	Japan Trustee Services Bank, Ltd. (Trustee Account)	4.88%
	Hitachi Employees' Shareholding Association	3.24%
	Nippon Life Insurance Company	2.91%
	The Dai-Ichi Mutual Life Insurance Company	2.12%
	State Street Bank and Trust Company 505224	1.63%
	(Standing proxy: Mizuho Corporate Bank, Ltd.)	
State Street Bank and Trust Company	1.44%	
(Standing proxy: Mizuho Corporate Bank, Ltd.)		
Meiji Yasuda Life Insurance Company	1.43%	
(8) Relationships between the Tender Offeror and the Company	Capital Relationships	The Tender Offeror owns 51.67% of the Company's total number of issued shares which included its direct and indirect shareholdings.
	Personnel Relationships	One of the Directors of the Company concurrently serves as a Director of the Tender Offeror.
	Transaction Relationships	The Company deposits funds with the Tender Offeror.
	Status as a Related Party	The Company is a consolidated subsidiary of the Tender Offeror.

2. Opinion concerning the Tender Offer and Reason and Grounds for the Opinion

(1) Outline of the Opinion concerning the Tender Offer

The Board of Directors of the Company, at its meeting held as of the date of this announcement, resolved to support the Tender Offer, which is targeted for the shares of common stock of the Company by the Tender Offeror, and to recommend that shareholders of the Company accept the Tender Offer.

(2) Reasons and Grounds for the Opinion Concerning the Tender Offer

The Tender Offeror currently holds 51.67% of the Company's issued shares, including indirect shareholdings of 0.30%, and thus accounts for the Company as a consolidated subsidiary. The Tender Offeror intends to acquire all the issued shares of the Company (exclusive of the treasury stock held by the Company) in order to make the Company a wholly owned subsidiary through the Tender Offer. The maximum or minimum limit to the number of shares to be purchased is not set for the Tender Offer.

Regarding the Company, the dry battery and magnetic tape divisions of Nitto Electric Industrial Co., Ltd. (currently Nitto Denko Corp.), were set up independently as Maxell Electric Industrial Co., Ltd., which commenced operations in 1961 and became the Tender Offeror's consolidated subsidiary in 1964, changing its corporate name to Hitachi Maxell, Ltd. Since establishment, while focusing on the Information Storage Media and Battery businesses, we have also developed the Material-Device-Electronic Appliance businesses. We have accumulated technologies, and those that we have commercialized include the world's first high-performance zinc manganese battery, the "Zinc Chloride Dry Battery"; Japan's first silver oxide batteries; and the world's first 5X DVD-RAM discs. Harnessing such a business base, we are concentrating business resources in the priority Batteries, Optical Components and Functional Materials businesses, each of which has high potential for future growth and profitability. We are also promoting differentiation from competitors by drawing on our proprietary technologies and striving to raise the profitability of our business structure. The Company can optimize its strengths in these businesses by harnessing differentiating technologies related to dispersion characteristics and the application of coating agents, precise molding and optical designs that have been nurtured through the Information Storage Media business, which produces magnetic tapes and optical discs, etc.

The Company is globally expanding its businesses under its proprietary brand. Currently, approximately 60% of the Company's revenues are from overseas markets. We have won strong trust from a wide range of customer tiers and operate business as a global company with outstanding technologies and proprietary business know-how. By establishing an optimal manufacturing structure that responds to globalization, we are striving to reinforce cost competitiveness.

Meanwhile, the Hitachi Group, which consists of the Tender Offeror, its subsidiaries and affiliated companies, conducts a wide range of business activities from the development, production and sales of products to the provision of relevant services in seven industry segments: Information & Telecommunication Systems; Electronic Devices; Power & Industrial Systems; Digital Media & Consumer Products; High Functional Materials & Components; Logistics, Services & Others; and Financial Services.

In the severe economic environment of the worldwide structural recession that has been continuing since the second half of the previous fiscal year, the Hitachi Group must urgently

optimize the allocation of the entire Group's resources and accelerate the restructuring of the business portfolio to secure a foundation for future growth. The Group policy is to focus on the social innovation business to improve social infrastructure that is supported by highly reliable and efficient information and communication technologies.

To reinforce this social innovation business, the Hitachi Group believes it is necessary to concentrate its business resources on the lithium ion batteries business, which will be a key device of the industry along with motors, invertors and power semiconductors. Hitachi considers that the lithium ion rechargeable batteries business will also be a core device of the social innovation business consisting of information & telecommunication systems business, the power systems business, the environmental, industrial and transport systems businesses, and the social and urban systems businesses and of environment-friendly automotive systems business such as hybrid and electric automobile businesses.

Among these measures, as announced in the April 17, 2009, press release by the Tender Offeror, "Promotion of the Lithium Ion Rechargeable Battery Business," the Hitachi Group decided to further reinforce collaborations with Group companies including Hitachi Maxell, Shin-Kobe Electric Machinery Co., Ltd. and Hitachi Vehicle Energy, Ltd., under its business strategy toward overall optimization, to promote a systems business using lithium ion rechargeable batteries and other rechargeable batteries as one of the core businesses. The Hitachi Group aims to strengthen its lithium ion rechargeable batteries related business with high quality and performance such as consumer-use lithium ion rechargeable batteries shipped a cumulative total of 600 million cells without recalled products (for collection and repair) and in-vehicle lithium ion rechargeable batteries promoted as commercialization of pioneering products. We also established the Battery Systems Division as of April 1, 2009, to integrate the lithium ion rechargeable batteries-related businesses across the Hitachi Group. In addition, the Hitachi Group newly established the Advanced Battery Research Center for R&D of materials for next-generation batteries.

Under the current medium-term business plan of the Company, its long-term vision is "Breakthrough to New Horizons—challenge of seeking fresh possibilities," and the medium-term mission is "Change for Growth." In line with this mission, the Company has been accelerating a change to its business portfolio to improve profitability and ensure a new stage of growth. Specifically, the Company is concentrating its business resources in the priority Batteries, Optical Components and Functional Materials businesses. These businesses have high potential for future growth and profitability. The Company promotes differentiation from competitors by optimizing its proprietary technologies and the development of high-value-added products to these three business areas. In addition, in its core Information Storage Media business, the Company will pursue higher profitability by introducing new products and reducing costs to restructure businesses.

The Company has been steadily expanding the business related to lithium ion rechargeable batteries, which is the core product line of its priority battery business. Specifically, in addition to products for mobile phones, which had been a main field, the Company aims to expand business into power tools and bicycles by developing new laminated products and cylindrical products in addition to conventional prismatic lithium ion rechargeable batteries. In February 2009, to supply electrode materials not only for consumer use but also for use in automobiles and industries, the Company established a new electrode manufacturing plant with high-speed and high-precision coating systems that harness its outstanding proprietary technologies.

In the business field of rechargeable batteries centering on lithium ion rechargeable batteries, although high growth is expected by the expansion of the market for products in which such batteries are used and their new applications, there is concern over intensifying competition due to an increase in new entrants in the consumer-use products business, among which pressure tends to be strong to lower the prices of finished products. There is strong public demand for the establishment of a comprehensive global environment and energy saving-related system based on lithium ion rechargeable batteries in the automobile and industrial sectors. Rechargeable batteries including lithium ion rechargeable batteries are essential to make internal-combustion systems electric-driven and for practical application of new energy that replaces fossil fuels. The Hitachi Group must reinforce a system that can flexibly address such customer needs in order to improve its growth and profitability of the Hitachi Group in the lithium ion rechargeable batteries business.

Under such circumstances, since the end of March 2009, the Tender Offeror and the Company have discussed various measures to improve the enterprise value of both companies and concluded that the Tender Offeror's acquisition of the Company and making it a wholly owned subsidiary to establish a more stable capital relationship would be very beneficial to enhance the enterprise value not only of the Company but also of the entire Hitachi Group. Through the acquisition, the relationship between the Company and the Hitachi Group will be further reinforced and the integrated management of the Hitachi Group and the Company will realize synergies in the Tender Offeror's social innovation business and lithium ion rechargeable battery business as well as the Company's battery business and all the other businesses.

Specifically,

1) First, concerning the "battery" business, the Company and the Tender Offeror believe that both companies can favorably survive the competition in the automobile, industrial sectors and railway vehicles by aggressively combining the lithium ion rechargeable battery development capability, mass production technology and other tangible and intangible assets in the lithium ion rechargeable battery-related business areas that the Company has acquired in the consumer products field and the Tender Offeror's system capability and diverse business infrastructure, which are expected to become a reliable part of proposals for system solutions in industrial sectors where future development is expected. By combining all such capabilities and assets, the Company and the Tender Offeror can enhance the development capability of products using lithium ion rechargeable batteries in these fields and accelerate the exploration of new applications. The Company and the Tender Offeror also believe that Tender Offeror's system solutions in the industrial sector will significantly differentiate both companies from other consumer product manufacturers that produce lithium ion rechargeable batteries by expanding the lithium ion batteries business that is a key device of the social innovation business along with motors, invertors and power semiconductors and by enhancing solution proposals which is integrated with such lithium-ion rechargeable batteries business and social and industry systems.

2) Further, concerning research and development, in the markets for in-vehicle products and products for industrial and social infrastructure where future growth is expected, there will be many opportunities to apply the Tender Offeror's research resources for products and services and it will be somewhat easier for collaborations between the Tender Offeror and the Company to lead to tangible results. The Company and the Tender Offeror expect tighter technological collaborations based on the integrated management of the Tender Offeror and the Company to generate significant synergies.

3) In the promising lithium ion battery rechargeable business, competitors will also concentrate their business resources in this field. However, the Company's competitiveness is expected to be substantially improved by reinforcing the capital relationship with the Tender Offeror. Through the integration, the Company will receive further credit, supported by the Tender Offeror's sturdy financial base, thereby enabling the Company to make flexible judgments for larger-scale investments.

4) In addition, by reinforcing the capital relationship between the Tender Offeror and the Company, it will become possible to optimize the Hitachi Group's operating base more than ever, which will result in reduction of the investment burden of the Company and reinforcement of the Group wide cost competitiveness within the Group by sharing manufacturing lines with other Group companies such as Hitachi Vehicle Energy, Ltd. which engages in the manufacture of in-vehicle large-scale lithium ion rechargeable batteries. That will help reinforce the Group wide cost competitiveness too. Optimizing the Hitachi Group's operating base more than ever, such fundamental advances will become possible.

It is also expected that the Tender Offeror making the Company a wholly owned subsidiary and the establishment of a more stable capital relationship will be beneficial to the Company's businesses other than the battery business as well. Specifically, with regard to computer tapes and broadcasting video tapes, for which the Company holds high market shares, and storage and broadcasting and telecommunications equipment, on which the Tender Offeror's Information & Telecommunication Systems Group has been focusing, equipment and media has been developed at separate companies. In the future, however, we can expect faster product development and the acquisition of more customers through the collaboration between the Company and the Tender Offeror, harnessing each company's specialties and converging the development resources of both companies. It will also become possible to offer increasingly valuable and optimal solutions to customers. With regard to camera lens and optical pickup lens, which are mainstay products in the optical components business on which the Company is focusing, such as the lens for finger vein authentication systems, monitoring camera systems for crime prevention, in-vehicle cameras and BD/DVD/CD all-compatible drives that the Hitachi Group has commercialized, cooperation from the development stage will make it possible to differentiate them from other companies' products and reinforce product competitiveness. Furthermore, as for adhesive tapes and adhesion technology in the Company's Functional Materials business, further reinforcement of competitiveness can be expected in the automobile and electronics fields developed by the Hitachi Group. In the medical field as well, synergies and the exploration of new markets can be expected, with such medical equipment as blood measurement devices and biomaterials and components such as bio-beads for DNA analysis. In addition, by optimizing the "Maxell" brand and sales channel that the Company has nurtured worldwide, significant reinforcement of the Tender Offeror's consumer products sales capability can be expected.

Through reinforcement of the capital relationship between the Tender Offeror and the Company in these ways, integrated business management will help optimize all the businesses conducted by the Company including the "battery" business, thereby enabling larger-scale and more effective investments compared with utilization of business resources such as for R&D and capital investments conducted solely by the Tender Offeror or the Company.

Based on the above, the Company reached the judgment that if the Tender Offeror successfully makes the Company its wholly owned subsidiary, that will offer a good opportunity to continually benefit the Company's customers, employees, business partners and other

stakeholders, which will contribute to raising the enterprise value of the Company and the entire Hitachi Group.

The Company also judged that the share price at which the Company's common stock is to be purchased by the Tender Offeror at the Tender Offer (the "Tender Offer Price") is appropriate for the Company's shareholders, as explained later in (3) "Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest." Judging that the Tender Offer will offer all shareholders of the Company a reasonable opportunity to sell their shares, the Company determined to recommend that the shareholders accept the Tender Offer.

The Company already confirmed the Tender Offeror intends to reinforce the Company's businesses, even after making it a wholly owned subsidiary, by not only respecting the Company's self-initiatives and independence but also paying attention to the Company's business features and the management that can fully utilize the operational and structural strength. Furthermore, good outcomes are anticipated from the process of verifying optimal synergies and discussions toward establishing an optimal cooperative relationship between the Tender Offeror and the Company. Business resources held by the Company and the Tender Offeror will mutually replenish, thereby leading to a sturdier operating base. The Company will be able to offer new business possibilities to its business partners capitalizing on the Hitachi Group's business resources and transaction relationships. And the Company will be able to raise its employees' morale by expanding businesses despite public concern over a deteriorating economic environment. With a sturdier corporate background, employment will become even more stable, which will encourage employees to become increasingly enthusiastic toward the further growth of businesses.

(3) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

As of today, the Tender Offeror directly and indirectly holds a majority of the Company's total voting rights. The Company is a consolidated subsidiary of the Tender Offeror, and some of the Company's directors have an interest with the Tender Offeror. For this reason, the Company judged that it must take a prudent procedure to ensure the fairness of the Tender Offer. Specifically, the Tender Offeror and the Company have taken the following measures.

1) The Tender Offeror

In determining the purchase price for the Tender Offer (the "Tender Offer Price"), the Tender Offeror requested that Nomura Securities Co., Ltd. ("Nomura Securities"), a financial adviser as a third-party appraiser independent from the Tender Offeror and the Company, calculate the equity value of the Company's shares as one of the measures to ensure the fairness of the Tender Offer Price.

To calculate the equity value of the Company's shares, Nomura Securities used the average market share price method, the comparable company analysis method and the discounted cash flow method (the "DCF method"). The Tender Offeror received the valuation report on the valuation results of the Company's share price from Nomura Securities (the "Valuation Report for the Tender Offeror") on July, 28, 2009. (The Tender Offeror did not obtain an opinion on the fairness of the valuation results of the Tender Offer Price, the so-called Fairness Opinion, from Nomura Securities.)

The range of valuations per share of common stock of the Company calculated according to

each method is as follows.

Average market share price method	¥920 to ¥1,214
Comparable company analysis method	¥1,280 to ¥1,463
DCF method	¥1,498 to ¥1,923

First, under the average market share price method, Nomura Securities judged the range per share of common stock to be ¥920 to ¥1,214 based on the closing price of the Company's common stock on the First Section of the Tokyo Stock Exchange on the record date of July 24, 2009, the average closing price for the most recent one week, the average closing price for the most recent one month, the average closing price for the most recent three months and the average closing price for the most recent six months.

Under the comparable company analysis method, Nomura Securities judged the range per share of common stock to be ¥1,280 to ¥1,463, evaluating the Company's equity value by comparing share prices and financial indicators such as the profitability of listed companies engaged in relatively similar businesses to those of the Company.

Finally, under the DCF method, Nomura Securities judged the range per share of common stock to be ¥1,498 to ¥1,923 after analyzing enterprise value and equity value by discounting free cash flows the Company is expected to generate in the future by a certain discount rate to arrive at a net present value. This analysis was based on the Company's projected future profits from the fiscal year ending March 31, 2010 and later, taking into consideration the Company's business plans, a management interview conducted with the Company, recent business performance, public information disclosures and other contributing factors.

The Tender Offeror took into account the Tender Offeror valuation results received from Nomura Securities using each method in its Valuation Report for the Tender Offeror as reference and comprehensively considered examples of premiums added as of determining tender offer prices in previous tender offers for shares by entities other than issuers; whether the Company's board of directors would support the Tender Offer; the market share price trend of the Company's common stock; the expected number of acceptances of the Tender Offer; and other factors. Furthermore, taking into account the results of consultations and negotiations with the Company, the final Tender Offer Price was determined at ¥1,740 per share of common stock by the Tender Offeror's President and Chief Executive Officer on July 28, 2009.

The Tender Offer Price per share of ¥1,740 represents a premium of 43.3% (rounded to the first decimal place) on the closing price (regular way) of ¥1,214 of common stock of the Company on the First Section of the Tokyo Stock Exchange on July 24, 2009(*). It also represents a premium of 48.6% (rounded to the first decimal place) on the simple arithmetic average of ¥1,171 (rounded to the nearest yen) of the closing share prices (regular way) of common stock of the Company for the past month (from June 25 to July 24, 2009), a premium of 57.6% (rounded to the first decimal place) on the simple arithmetic average of ¥1,104 (rounded to the nearest yen) of the closing share prices (regular way) of common stock of the Company for the past three months (from April 27 to July 24, 2009), and a premium of 89.1% (rounded to the first decimal place) on the simple arithmetic average of ¥920 (rounded to the nearest yen) of the closing share prices (regular way) of common stock of the Company for the past six months (from January 26 to July 24, 2009). By setting the Tender Offer Period at 33 business days,

which is a relatively long period, the Tender Offeror provides the shareholders of the Company with the opportunity to fully reflect on the application for the Tender Offer and ensures the fairness of the Tender Offer Price.

(*)The stock price of Hitachi Maxell rose following a news report regarding the business restructuring of the Hitachi Group on July 27, 2009, which is the day before the day when the aforementioned decision was made by Hitachi's President and Chief Executive Officer. Considering this rise in the stock price, the premium was calculated using the stock price on July 24, 2009, a business day before July 27, 2009. The calculations of the respective premiums on the simple average of the closing share prices of common stock for the past one month, for the past three months and for the past six months were made in the same manner.

2) The Company

In determining the opinion concerning the Tender Offer, the Company appointed Nikko Citigroup Limited ("Nikko Citigroup") to be a financial adviser as a third-party appraiser independent from the Tender Offeror and the Company and, for consideration of appropriateness of the Tender Offer Price, requested that Nikko Citigroup appraise the equity value of the common stock of the Company.

The Company received the valuation report on the valuation results of the Company's share price (the "Valuation Report for the Company") from Nikko Citigroup on July 21, 2009. (The Company has not obtained an opinion on the fairness of the valuation results of the Tender Offer Price, the so-called Fairness Opinion.) In the Valuation Report for the Company, the Company's equity value is analyzed under certain assumptions and conditions based on the financial information and projections that the Company provided. Nikko Citigroup evaluated the Company's equity value using each of the average market share price method, the comparable company analysis method, the comparable tender offer case premium analysis method and the DCF method. The result of the evaluation of the Company's share price using each equity value calculation method in the Valuation Report for the Company was as follows. With the average market share price method, based on the average of the closing prices based on July 17, 2009, the record date, of the shares of the Company on the First Section of the Tokyo Stock Exchange for one month, three months and six months, the per share price of the shares of the Company was calculated to be ¥909 to ¥1,150. With the comparable company analysis method, by comparing the share prices and financial indicators that show the profitability of listed companies operating in the same business as that of the Company, the per share price of the shares of the Company was calculated to be ¥1,066 to ¥1,782. With the comparable tender offer case premium analysis method, among the past tender offer cases announced in September 2007 and thereafter, those by a parent company to its listed subsidiary were picked and the relevant premiums for the average closing prices for a certain period before the tender offer were analyzed. Premiums for the average share prices for one month, three months and six months were approximately 53%, 42% and 32%, respectively. Applying these premiums for the Company's average closing price for each period, the per share price of the shares of the Company was calculated to be ¥1,151 to ¥1,820. Lastly, with the DCF method, the Company's share price was evaluated by discounting future free cash flows that the Company will produce by a certain discount rate to give their present values assuming the Company's future revenue projections and business/investment plans, etc. Using the DCF method, the per share price of the shares of the Company was calculated to be ¥1,544 to ¥1,788.

The Company also heard explanation on the Valuation Report for the Company from Nikko

Citigroup at the meeting of Board of Directors held on July 22, 2009.

To ensure the fairness of the Tender Offer and raise the transparency and objectiveness of the transactions, the Company's Board of Directors established a Special Committee on June 26, 2009. The Board consults the Special Committee when inspecting and discussing the content of opinions to be disclosed concerning the Tender Offer. As members of the Special Committee, the Company selected five experts who are independent from the Company and the Tender Offeror: Yoshiya Kawamata (Lawyer; Professor Emeritus at Kyoto University); Yuji Yamamoto (Certified Public Accountant; Representative Director and President, Huron Consulting Group, Ltd.); Susumu Miyoshi and Teruhiko Yoshikawa, who were the Company's Outside Directors until June 2009; and Tetsuo Horiuchi, who is currently an Outside Director of the Company. Since July 1, 2009, while making sure that minority shareholders' interests are protected, the Special Committee has considered the detail of the opinions to be announced by the Company's Board of Directors in view of whether the Tender Offer contributes to the improvement of the Company's enterprise value and the interests of all shareholders as well as the interests of all stakeholders including the Company's employees. During the inspection, the Special Committee referred to the Valuation Report for the Company submitted by Nikko Citigroup, the Company's financial adviser, and heard explanation on the valuation of the Company's share price from Nikko Citigroup. In this process, the Special Committee prudently inspected and discussed the matters addressed by the Company's Board of Directors. As a result, it reached the unanimous conclusion that it is reasonable to judge that the Tender Offer will contribute to the improvement of the Company's enterprise value and the interests of all shareholders, the Tender Offer Price is set within an appropriate range and the interests of the Company's minority shareholders are considered in determining the price. As of July 22, 2009, the Committee reported these judgments to the Company's Board of Directors.

The Board appointed Nagashima Ohno & Tsunematsu as legal adviser independent from the Company and the Tender Offeror and received legal advice regarding, among others, the Board decision-making method and process of the Tender Offer.

In addition, based on the advice from the financial adviser, Nikko Citigroup and the above legal adviser, the Company's Board of Directors carefully considered the judgments provided in the report from the Special Committee, the Valuation Report for the Company from Nikko Citigroup, the conditions of the Tender Offer, the possibility of the use of the business resources held by the Tender Offeror and the operational and financial synergies captured by the Tender Offeror making the Company its wholly owned subsidiary. As a result, the Board determined that becoming a wholly owned subsidiary of the Tender Offeror by supporting the Tender Offer will be beneficial to the improvement of the Company's enterprise value and the interests of all shareholders. The Tender Offer Price and other conditions are adequate, and the protection of the interests of the Company's minority shareholders is fully considered. The Board judged the Tender Offer to offer the Company's shareholders reasonable opportunities to sell their stock at an appropriate price. For these reasons, the Company's Board of Directors at its meeting held as of July 28, 2009, determined to support the Tender Offer and to recommend that the shareholders accept the Tender Offer.

The Tender Offeror and the Company have not entered into an agreement that in the event that an offeror other than the Tender Offeror participates in the Tender Offer, the Tender Offeror would be entitled to limiting contacts between the third party and the Company in an excessive manner.

Among the Company's directors, Michiharu Nakamura, who concurrently serves as a director

of the Tender Offeror, and Isao Uchigasaki, who concurrently serves as a director of the Tender Offeror's subsidiary, did not participate in the discussion or decisions by the Board of Directors concerning the Tender Offer to avoid any conflict of interest. In addition, the two have not participated in the consultations or negotiations with the Tender Offeror representing the Company.

(4) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the so-called Two-Step Acquisition)

As described above, the Tender Offeror aims to convert the Company into a wholly owned subsidiary through the Tender Offer and a series of subsequent procedures, to be implemented by around April, 2010 at the latest.

If the Tender Offeror cannot acquire all the issued shares of the Company (exclusive of treasury stock held by the Company) through the Tender Offer, the Tender Offeror aims to acquire all the issued shares of the Company (exclusive of the Company's shares held by the Tender Offeror) by way of a share exchange with the Company so that the Tender Offeror will become a wholly owning parent company and the Company will become a wholly owned subsidiary (the "Share Exchange") after the Tender Offer. The Share Exchange intends to deliver the Tender Offeror's shares as consideration for the Company's shares held by the Company's shareholders other than the Tender Offeror. With the Share Exchange, all the Company's shares (exclusive of the Company's shares held by the Tender Offeror), including those that will not have been applied for the Tender Offer, will be wholly exchanged with the Tender Offeror's shares, and the shareholders of the Company to whom one (1) or more the Tender Offeror's shares are allotted will become the Tender Offeror's shareholders. The Share Exchange is planned to be implemented through a simplified share exchange (*kani kabushiki kokan*), which is set forth in the main clause of Article 796, Paragraph 3 of the Companies Act, without resolutions at a General Meeting of Shareholders of the Tender Offeror with respect to the approval of the share exchange agreement. Meanwhile, the Share Exchange may be implemented through a summary share exchange (*ryakushiki kabushiki kokan*), which is set forth in Article 784, Paragraph 1 of the Companies Act, without resolutions at a General Meeting of Shareholders of the Company with respect to the approval of the share exchange agreement.

The share exchange ratio for the Share Exchange will be finally determined upon consultations between the Tender Offeror and the Company after the completion of the Tender Offer with due consideration of the interests of the respective shareholders of the Tender Offeror and the Company. In determining the consideration (the Tender Offeror's shares; provided, however, that if fractions of less than one (1) share are to be allotted, sales price equivalent to such fractional shares will be distributed; the same shall apply hereinafter) to be received by the shareholders of the Company through the Share Exchange, the value of the Company's shares are expected to be evaluated to be equivalent in value to the purchase price for the Company's shares of common stock in the Tender Offer.

Upon the Share Exchange, the shareholders of the Company, which will become a wholly owned subsidiary of the Tender Offeror, may request that the Company purchase their shares in accordance with the procedures of the Companies Act and other applicable laws and regulations. In such case, the purchase price would be determined in the last instance by a competent court.

In case where United States shareholders hold more than 10% of the Company's common stock as of a designated record date after settlement of the Tender Offer and the Company becomes subject to the filing of a registration statement under the U.S. Securities Act of 1933,

the Tender Offeror plans to make the Company its wholly owned subsidiary by the methods explained below.

Specifically, after the Tender Offer comes into effect, the Tender Offeror intends to request that the Company hold an extraordinary general meeting of shareholders (the “Extraordinary Shareholders’ Meeting”), which would include in the agenda Items 1) through 3) as follows: 1) The Articles of Incorporation of the Company shall be partly amended to convert the Company into a corporation issuing class shares (*shurui kabushiki hakkou kaisha*) under the Companies Act; 2) The Articles of Incorporation of the Company shall be partly amended to the effect that all of common stock of the Company to be issued by the Company shall be appended with a call provision (*zenbu-shutoku-joko*) (a provision regarding the redeemable right of the Company for all the shares as stipulated in Article 108, Paragraph 1, Item 7 of the Companies Act; hereinafter the same shall apply); and 3) a different class of the Company’s shares shall be issued by the Company in exchange for acquiring all such shares with the call provision of the Company (exclusive of treasury stock held by the Company).

Furthermore, as the Company will be converted into a corporation issuing class shares under the Companies Act on the condition that agenda Item 1) above is approved by the Extraordinary Shareholders’ Meeting, with respect to agenda Item 2), pursuant to Article 111, Paragraph 2, Item 1 of the Companies Act, it will be necessary, in addition to the resolution adopted by the Extraordinary Shareholders’ Meeting to have a resolution passed at a meeting of shareholders with class shares (the “Class Shareholders’ Meeting”), at which the participants will be shareholders who hold common stock of the Company subject to the call provision. For this purpose, the Tender Offeror will also request that the Company hold the Class Shareholders’ Meeting to include agenda Item 2) above for partial amendment to the Articles of Incorporation. Meanwhile, the Tender Offeror will approve the respective agenda items above at the Extraordinary Shareholders’ Meeting and the Class Shareholders’ Meeting.

If all of the above procedures are completed, all shares issued by the Company will be subject to the call provision and shall be wholly acquired by the Company (exclusive of treasury stock held by the Company) and a different class of the Company’s shares shall be delivered to such shareholders of the Company as consideration for such acquisition by the Company. Shareholders who are to receive fractions of the different class of the Company’s shares will receive cash as consideration, which will be obtained through a sale of the different class of the Company’s shares that correspond to the sum of all such fractions (including the purchase of a whole or a part of the sum of such fractions by the Company) (fractions of the aggregate number to be truncated) through the procedures pursuant to Article 234 of the Companies Act and other applicable laws and regulations. The selling price of the different class of the Company’s shares corresponding to the sum of all such fractions (and the cash amount to be delivered to each of the relevant shareholders, resulting from the sale of the aggregate number of fractions) is expected to be calculated on the basis of the Tender Offer Price. Although the class and number of shares of the Company to be delivered as consideration for the acquisition of shares of the Company subject to the call provision have not been determined as of the date hereof, the Tender Offeror intends to request that the Company determine them so that the shares that must be delivered to shareholders who have not tendered the Tender Offer other than the Tender Offeror shall be limited to such fractions of the different class of the Company for the purpose of enabling the Tender Offeror to acquire all the issued shares of the Company (exclusive of treasury stock held by the Company).

As provisions to protect the rights of minority shareholders in connection with the above

respective procedures, the Companies Act provides that (i) in the event that the Articles of Incorporation are partly amended to the effect that all the common stock issued by the Company shall be subject to the call provision as stated in agenda Item 2) above, any shareholder may request that the Company purchase his/her shares in accordance with Articles 116 and 117 of the Companies Act and other applicable laws and regulations, and that (ii) in the case where acquisition of all the shares subject to the call provision, as described in 3) above, has been resolved by the General Meeting of Shareholders, any shareholder may file a petition for determination of a fair price for the acquisition in accordance with Article 172 of the Companies Act and other applicable laws and regulations. The purchase price and the acquisition price per share under (i) and (ii) above would be determined in the last instance by a competent court.

The share exchange or the above procedures from 1) to 3) are expected to take place by around April, 2010 at the latest. The details will be announced as soon as they become available.

With regard to the above procedures, there is a possibility that the Tender Offeror may request the Company to conduct another method that would have similar effects depending on such factors as the Tender Offeror's holding status of the Company's shares after the Tender Offer, the holding status of the Company's shares by shareholders other than the Tender Offeror, or the interpretation of the competent authorities on the applicable laws and regulations or the like and such steps might require some time to be successfully completed. Even in such a case, however, the Tender Offeror intends to convert the Company into a wholly owned subsidiary by adopting the method of finally delivering cash to shareholders of the Company other than the Tender Offeror. In such cases, the resulting cash amount to be delivered to the relevant shareholders is also expected to be calculated based on the Tender Offer Price.

In the Tender Offer it is not intended to recommend that the Company's shareholders approve the share exchange at a General Meeting of Shareholders convened for the purpose of receiving such approval in case where the requirements of a summary share exchange are not satisfied, and not intended to recommend that the Company's shareholders and shareholders with class shares approve the agenda at the Extraordinary Shareholders' Meeting or the Meeting of Class Shareholders in case of the use of class shares with a call provision (*zenbu-shutoku-joko*).

(5) Likelihood of the Delisting of the Shares and the Reasons

As of the date hereof, the common stock of the Company is listed on the First Section of the Tokyo Stock Exchange and the First Section of the Osaka Securities Exchange. As the Tender Offeror has not set the maximum limit to the number of shares to be purchased through the Tender Offer, the Company's shares may be subject to delisting upon the fulfillment of certain predetermined procedures if the result of the Tender Offer falls under the delisting standards of the Tokyo Stock Exchange and the Osaka Securities Exchange. In addition, even if the delisting standards are not met upon completion of the Tender Offer, the shares of the Company will be delisted in accordance with the delisting standards because the Tender Offeror intends to convert the Company into a wholly owned subsidiary in accordance with the procedures set forth in Item (4) "Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the so-called Two-Step Acquisition)." In addition, trading of common stock of the Company will become unavailable on the Tokyo Stock Exchange and the Osaka Securities Exchange after the delisting.

(6) Reason for Our Recommending Subscribing to the Tender Offer through which the Company is Likely to be Delisted and Alternative Measures under Discussion

Although the Tender Offer will result in the delisting of the Company's common stock as explained in (5) "Likelihood of the Delisting of the Shares and the Reasons", the Company's Board of Directors expressed support for the Tender Offer based on the judgment that the Tender Offer will be beneficial to us from the view of raising the Company's enterprise value and the best interests of the shareholders. We believe that once the Tender Offeror successfully makes the Company its wholly owned subsidiary, that will offer a good opportunity to continually benefit the Company's customers, employees, business partners and other stakeholders. The Company also judged that the Tender Offer Price is appropriate and the Tender Offer will offer all shareholders of the Company a reasonable opportunity to sell their shares. Based on such judgments, the Company determined to recommend that shareholders accept the Tender Offer. The adequacy of the Tender Offer Price is explained above in (3) "Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest."

The Tender Offeror plans to protect the interests of the Company's shareholders by the methods explained above in (4) "Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the so-called Two-Step Acquisition)." Specifically, when the Tender Offeror makes the Company its wholly owned subsidiary, it will offer the Company's shareholders the opportunity to be allotted the Tender Offeror's listed shares or cash in exchange for the Company's common stock to be delisted. To determine the Company's share price for the share exchange, the price will be principally the same as the Tender Offer Price for the Company's common stock. To determine the amount of cash to be allotted in exchange for class shares with a call provision (*zenbu-shutoku-joko*), such cash amount will be computed based on the Tender Offer Price.

3. Matters concerning Material Agreement regarding the Application to the Tender Offer between the Tender Offeror and Shareholders of the Company

Not applicable

4. Benefits to be Provided by the Tender Offeror or Person Having a Special Relationship Therewith

Not applicable

5. Response Policy to Basic Policy Pertaining to the Control of the Company

Not applicable

6. Question to the Tender Offeror

Not applicable

7. Request for Extension of the Period for the Tender Offer

Not applicable

8. Matters concerning Transactions with Controlling Shareholders

The "Corporate Governance Report," which was released by the Company on July 1, 2009, includes a policy that transactions by the Tender Offeror and within the Tender Offeror Group must be conducted based on fair market prices as "Guidelines concerning measures to protect minority shareholders in transaction with controlling shareholders."

With regard to the Tender Offer by the Company's controlling shareholder, as indicated above in 2 (3) "Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest," we take appropriate measures to ensure fairness. We believe such measures comply with said guidelines.

9. Outline of the Tender Offer by the Tender Offeror and Other Information

Please refer to the attached press release announced today by the Tender Offeror, "Hitachi to Commence Tender Offer for the Shares of its Subsidiary, Hitachi Maxell."

Inquiries

Call Center

Toll Free Dial 0120-770-241

Open 9:00 ~ 18:00 (Weekdays only)

(Open period: July 28 to October 16, 2009)

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