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## Hitachi Maxell Announces Recognition of Extraordinary Income and Loss and Revision of Projections for Full-Year Business Results

Tokyo, January 31, 2008 --- Hitachi Maxell, Ltd. (TSE/OSE: 6810) today announced that it plans to recognize extraordinary income and loss for the fiscal year ending March 2008. Accordingly, the Company has revised the projections of business results for the fiscal year ending March 2008 that it released on October 30, 2007. Details are as follows.

### 1. Recognition of Extraordinary Income and Loss

Regarding extraordinary income, the Company expects to recognize a consolidated and unconsolidated gain on sales of fixed assets of 5.6 billion yen as a result of selling a part of health and welfare facilities within the Osaka Works in order to improve asset efficiency. Further, in consolidated financial statements the Company expects to recognize gain from reversal of accrued expenses which Hitachi Maxell and Maxell Europe Ltd. have charged in previous fiscal years in relation to a fine payment to the European Commission. (Please refer to the Today's press release "Fine Payment to European Commission.")

Regarding extraordinary loss, the Company expects to implement lump-sum recognitions of 5.1 billion yen on a unconsolidated basis and 6.6 billion yen on a consolidated basis as expenses for the structural improvement of operations incurred due to the withdrawal of certain production and consolidation of sales bases in Europe and the reorganization of optical disc operations.

The reorganization of optical disc operations includes the sale of production equipment in Japan and the dissolution of the Company's subsidiary Maxell Hi Tec, Ltd.— which mainly produces and sells disc media and precision molded components—slated for the end of March 2008. The Company will further improve management efficiency by halting the DVD-ROM and CD-ROM operations of Maxell Hi Tec and transferring its precision molding operations to the Company's subsidiary Tohshin Seiko Co., Ltd., which mainly produces and sells precision molding and optical components. Since April 2007, the Company has been procuring high-quality and low-price write-once DVD-R discs for the Japanese market through Super ODM (Original Design Manufacturing) strategic production outsourcing. At the same time, the Company has stepped up cost reduction efforts by increasing outside procurement and reducing production/sales items. The Company will dramatically improve the business results of optical disc operations through this latest operational reorganization that includes a reorganization of subsidiaries.

Also, in Europe the Company will withdraw certain production at Maxell Europe. By the end of March 2008 and dissolve Maxell Europe's three sales subsidiaries and rebuild its sales organization, including Northern and Eastern Europe, to increase efficiency. Further, the Company will strengthen local marketing capabilities. In addition, the Company will further heighten management efficiency and improve profitability in Europe by consolidating production bases and downsizing distribution operations.

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## 2. Revision of Business Results Projections for the Fiscal Year Ending March 2008 (April 1, 2007–March 31, 2008)

### Consolidated Basis (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	210,000	4,500	4,800	1,500
Latest forecast (B)	210,000	5,000	5,500	1,500
Increase/decrease (B-A)	0	500	700	0
% change (B/A)	0	11.1	14.6	0
[Reference] Results of previous fiscal year (ended March 2007)	202,240	7,940	9,062	2,896

### Unconsolidated Basis (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	120,000	1,700	2,300	900
Latest forecast (B)	120,000	2,000	2,500	1,200
Increase/decrease (B-A)	0	300	200	300
% change (B/A)	0	17.6	8.7	33.3
[Reference] Results of previous fiscal year (ended March 2007)	115,223	5,375	6,752	3,489

### 3. Main Reasons for Revision

The Company has increased projections for consolidated and unconsolidated operating income and ordinary income, compared with those in the previous projections released on October 30, 2007, in order to reflect product mix improvements and cost reduction efforts. Further, in light of the recognition of extraordinary income and loss, the Company revised its projections for unconsolidated net income as stated above.

#### About Hitachi Maxell, Ltd.

Hitachi Maxell, Ltd. (TSE/OSE: 6810) is a leading global manufacturer of information storage media products, including magnetic tapes, optical discs, and battery products such as lithium ion rechargeable batteries, micro batteries and alkaline dry batteries. Since its foundation in 1960, Hitachi Maxell has led the electronics industry at home and abroad in the fields of storage media and batteries and the brand “Maxell” is globally recognized. In addition, Hitachi Maxell is also focused on devices and materials, such as optical components and functional materials based on Maxell’s core technologies. For more information on Hitachi Maxell, please visit the company's Web site at [www.maxell.com/](http://www.maxell.com/).

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