



Summary of Consolidated Financial Results for the Third Quarter ended December 31, 2005

February 1, 2006

Hitachi Maxell, Ltd.

Code No: 6810

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1. Changes in Preparation Method for Quarterly Business Results

Application of simplified accounting methods:	A simplified method has been applied in some accounts for appropriating reserves.
Changes in accounting methods from the previous term:	None
Changes in scope of consolidation and application of equity methods:	None
No audit or review by an independent auditor	

2. Business results and financial position for period ended December 31, 2005

(April 1, 2005 through December 31, 2005)

(1) Operating Results

(Amounts less than ¥1million have been rounded down)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2005	154,624	(0.5)	4,622	(2.4)	5,706	(8.1)	3,059	(27.6)
December 31, 2004	155,382	(5.4)	4,736	(48.7)	6,206	(36.8)	4,224	(27.5)
(Reference)March 31,2005	201,196	-	4,798	-	6,263	-	1,501	-

	Net income per share	Net income per share (Diluted)
	Yen	Yen
December 31, 2005	31.87	-
December 31, 2004	42.71	-
(Reference)March 31,2005	14.98	-

Note: Percentage change is the ratio of increase or decrease in each item of business results compared with prior period.

Overview of Business Performance(April 1, 2005 – December 31, 2005)

Although primary business segments Information Storage Media and Battery and Electric Appliances have experienced favorable recovery during the nine months through December 31, the market in the Audio-Video Tape segment continued to decline. Year on year (all comparisons hereafter on the same basis), net sales were down 0.5% to 154,624 million yen, operating income was down 2.4% to 4,622 million yen, and ordinary income fell 8.1% to 5,706 million yen. Net income fell 27.6% to 3,059 million yen owing to extraordinary gains for Gain on return of proxy portion of employee pension fund. The average exchange rate for the period under review was 113 yen to the dollar.

Results by segment were as follows.

Information Storage Media

Computer Tape sales rose due to increased sales in high storage capacity products. Recordable DVD sales also increased as a result of expanding demand. Next Keystone business operations also saw expanded net sales focused on sales of optical components. As a result of the above, overall net sales increased 3.1% to 83,567 million yen and operating income rose 88.2% to 3,066 million yen.

Audio-Video Tape

As a result of trends toward other forms of media, the entire market for the Audio-Video Tape segment was characterized by declines. As a result, net sales fell 21.9% to 20,229 million yen and operating income fell to 1,302 million yen, with a loss of 15 million yen.

Battery and Electric Appliance

As regards Rechargeable Batteries, sales volume improved for prismatic lithium ion rechargeable batteries for cellular phones, while for Primary Batteries, net sales increased as a result of aggressive shipments of heat-resistant coin-type lithium batteries. As a result, net sales increased 4.9% to 50,828 million yen, but following a decline in the profitability of the Electronics Appliance segment, operating income amounted to only 1,571 million yen, a decrease of 13.7%.

(2) Financial Position

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2005	286,592	194,100	67.7	2,021.85
December 31, 2004	287,536	196,636	68.4	1,988.38
(Reference) March 31, 2005	280,718	190,511	67.9	1,984.37

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2005	9,747	(1,582)	(854)	30,089
December 31, 2004	1,108	(1,343)	(1,481)	24,283
(Reference) March 31, 2005	8,879	(6,322)	(6,007)	22,469

Overview of Financial Status (April 1, 2005 – December 31, 2005)

Cash and cash equivalents ("cash") at the end of the period under review totaled 30,089 million yen, an increase of 7,620 million yen. This occurred because of a net cash outflow of 1,582 million yen from investing activities and 854 million yen from financing activities, despite a cash inflow of 9,747 million yen from operating activities. The cash flow status for each activity is given below.

Cash Flow from Operating Activities

Cash flow from operating activities increased by 9,747 million yen at the end this period. This consisted mainly of pretax income of 5,338 million yen, as well as an increase in cash of 8,013 million yen as a result of depreciation and an increase in cash of 5,172 million yen in trade receivables.

Cash Flow from Investing Activities

Cash flow from investing activities resulted in a net cash outflow of 1,582 million yen at the end of this period. This was mainly a result of 6,281 million yen which was spent to purchase tangible fixed assets and an increase of 4,415 million yen from acquisition and sale of marketable securities.

Cash Flow from Financing Activities

Cash flow from financing activities resulted in a net cash outflow of 854 million yen through the end of the period. This was mainly the result of the payment of 1,824 million yen in dividends and an increase of cash owing to a 958 million yen rise in debts.

3. Forecast for business results for the fiscal ending March 31, 2006 (April 1, 2005 through March 31, 2006)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
March 31, 2006	203,000	5,000	6,500	2,400	25.00

Outlook for the Full Year (April 1, 2005 – March 31, 2006)

Regarding the forecast for the full year ending March 31, 2006, results of the third quarter lead to revisions in the projections released on October 27, 2005, which were revised as mentioned above. For further details, please refer to the "Revision of Business Forecast for the Fiscal Year Ending March 31, 2006."

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, market demand, rates of exchange, and sociopolitical conditions and circumstances.

Consolidated Balance Sheets

Description	As of December 31, 2005		As of March 31, 2005		Increase/decrease		As of December 31, 2005	
	Amount	Composition	Amount	Composition	Amount	Rate	Amount	Composition
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Current assets	129,395	45.1	109,888	39.1	19,507	17.8	110,428	38.4
Cash and time deposits	12,589		11,225		1,364		9,852	
Trade notes and Accounts receivables	43,788		37,040		6,748		42,945	
Marketable securities	22,555		19,688		2,867		16,139	
Inventories	29,255		27,541		1,714		27,224	
Other current assets	21,208		14,394		6,814		14,268	
Fixed assets	157,197	54.9	170,830	60.9	(13,633)	(8.0)	177,108	61.6
Tangible fixed assets	79,582	27.8	82,744	29.5	(3,162)	(3.8)	85,673	29.8
Intangible fixed assets	1,707	0.6	1,771	0.6	(64)	(3.6)	1,961	0.7
Investments and other assets	75,908	26.5	86,315	30.8	(10,407)	(12.1)	89,474	31.1
Total assets	286,592	100.0	280,718	100.0	5,874	2.1	287,536	100.0
Current liabilities	70,441	24.6	46,628	16.6	23,813	51.1	46,985	16.4
Trade notes and accounts payables	16,882		17,918		(1,036)		17,579	
Short-term bank loans	2,495		1,357		1,138		1,887	
Current portion of bonds	20,000		–		20,000		–	
Other current liabilities	31,064		27,353		3,711		27,519	
Long-term liabilities	22,051	7.7	43,479	15.5	(21,428)	(49.3)	43,817	15.2
Bonds	10,000		30,000		(20,000)		30,000	
Allowance for retirement benefit	9,202		8,910		292		8,852	
Other long-term liabilities	2,849		4,569		(1,720)		4,965	
(Total liabilities)	92,492	32.3	90,107	32.1	2,385	2.6	90,802	31.6
Minority interests	–	–	100	0.0	(100)	–	98	0.0
Common stock	12,203	4.3	12,203	4.3	–	–	12,203	4.2
Capital surplus	22,325	7.8	22,325	8.0	(0)	(0.0)	22,325	7.8
Retained earnings	168,550	58.8	167,969	59.8	581	0.3	170,692	59.4
Net unrealized holding gain on securities	(737)	(0.3)	(1,844)	(0.6)	1,107	–	(1,937)	(0.7)
Foreign currency translation adjustments	(3,217)	(1.1)	(5,106)	(1.8)	1,889	–	(5,584)	(1.9)
Cost of treasury stock	(5,024)	(1.8)	(5,036)	(1.8)	12	–	(1,063)	(0.4)
(Total stockholders' equity)	194,100	67.7	190,511	67.9	3,589	1.9	196,636	68.4
Total liabilities, minority interests and stockholders' equity	286,592	100.0	280,718	100.0	5,874	2.1	287,536	100.0

Consolidated Statements of Income

Description	April 1, 2005 through December 31, 2005		April 1, 2004 through December 31, 2004		Increase/ decrease		April 1, 2004 through March 31, 2005	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Rate	Amount	Ratio to net sales
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	154,624	100.0	155,382	100.0	(758)	(0.5)	201,196	100.0
Cost of sales	106,072	68.6	106,805	68.7	(733)	(0.7)	137,391	68.3
Gross profit	48,552	31.4	48,577	31.3	(25)	(0.1)	63,805	31.7
Selling, general and administrative expenses	43,930	28.4	43,841	28.3	89	0.2	59,007	29.3
Operating income	4,622	3.0	4,736	3.0	(114)	(2.4)	4,798	2.4
Other income	3,042	2.0	3,001	2.0	41	1.4	4,243	2.1
Interest and dividend income	1,780		1,656		124		2,332	
Equity in earnings of non- consolidated subsidiaries and affiliates	120		141		(21)		183	
Miscellaneous income	1,142		1,204		(62)		1,728	
Other expenses	1,958	1.3	1,531	1.0	427	27.9	2,778	1.4
Interest expenses	733		709		24		991	
Miscellaneous expenses	1,225		822		403		1,787	
Ordinary income	5,706	3.7	6,206	4.0	(500)	(8.1)	6,263	3.1
Extraordinary gains	200	0.1	5,503	3.5	(5,303)	(96.4)	5,510	2.7
Gain on sales of fixed assets	144		17		127		22	
Gain on sales of investment securities	56		540		(484)		540	
Gain on sales of golf club membership	–		1		(1)		1	
Gain on return of proxy portion of employee pension fund	–		4,945		(4,945)		4,947	
Extraordinary losses	568	0.3	4,841	3.1	(4,273)	(88.3)	9,323	4.6
Loss on disposal of fixed assets	556		1,603		(1,047)		1,772	
Impairment loss of long-lived assets	12		–		12		2,313	
Loss on sales of investment securities	–		12		(12)		12	
Loss on revaluation of investment securities	–		564		(564)		528	
Provision of allowance for bad debts	–		2,661		(2,661)		2,661	
Write-down of golf club membership	–		1		(1)		3	
Restructuring charges	–		–		–		2,034	
Income before income taxes and minority interest	5,338	3.5	6,868	4.4	(1,530)	(22.3)	2,450	1.2
Income taxes - current	1,963	1.3	2,025	1.3	(62)	(3.1)	31	0.0
Income taxes - deferred	311	0.2	606	0.4	(295)	(48.7)	903	0.5
Minority interests	5	0.0	13	0.0	(8)	(61.5)	15	0.0
Net income	3,059	2.0	4,224	2.7	(1,165)	(27.6)	1,501	0.7

Consolidated Statements of Cash Flows

Description	April 1, 2005 through December 31, 2005	April 1, 2004 through December 31, 2004	April 1, 2004 through March 31, 2005
	Amount	Amount	Amount
I Cash flows from operating activities	Millions of yen	Millions of yen	Millions of yen
Net profit before income taxes and minority interests	5,338	6,868	2,450
Depreciation	8,013	8,804	11,505
Decrease (increase) in trade notes and accounts receivables	(5,172)	(4,639)	1,772
Decrease (increase) in inventories	(782)	2,797	2,784
Increase (decrease) in trade notes and accounts payables	(2,615)	(2,160)	(2,221)
Other	4,965	(10,562)	(7,411)
Net cash provided by (used in) operating activities	9,747	1,108	8,879
II Cash flows from investing activities			
Purchase of tangible fixed assets	(6,281)	(12,661)	(15,939)
Net proceeds from sales and purchase of investment securities	4,415	11,865	8,255
Other	284	(547)	1,362
Net cash provided by (used in) investing activities	(1,582)	(1,343)	(6,322)
III Cash flows from financing activities			
Increase (decrease) in debt	958	397	138
Dividends paid to stockholders	(1,824)	(1,879)	(1,879)
Other	12	1	(4,266)
Net cash used in financing activities	(854)	(1,481)	(6,007)
IV Effect of exchange rate changes on cash and cash equivalents	309	286	206
V Net increase (decrease) in cash and cash equivalents	7,620	(1,430)	(3,244)
VI Cash and cash equivalents at beginning of year	22,469	25,713	25,713
VII Cash and cash equivalents at end of year	30,089	24,283	22,469

Consolidated Results and Forecast

Millions of yen

	FY ended March 2006 Forecast	Change (%)	Nine months ended December 2005	Change (%)	Three months ended December 2005	Change (%)
Net Sales	203,000	0.9	154,624	(0.5)	56,681	3.8
Operating income	5,000	4.2	4,622	(2.4)	3,037	1,050.4
Ordinary income	6,500	3.8	5,706	(8.1)	3,038	549.1
Net income	2,400	59.9	3,059	(27.6)	1,890	154.7
Exchange rate(\$1=)	¥114	-	¥113	-	¥117	-

Sales and Operating Income by Segment

	FY ended March 2006 Forecast		Change (%)	Nine months ended December 2005		Change (%)	Three months ended December 2005		Change (%)
	Millions of yen	(%)		Millions of yen	(%)		Millions of yen	(%)	
Net Sales	203,000	100	0.9	154,624	100	(0.5)	56,681	100	3.8
Information Storage Media	110,300	54	4.6	83,567	54	3.1	30,622	54	8.5
Audio-Video Tape	24,900	12	(22.1)	20,229	13	(21.9)	7,324	13	(23.1)
Battery and Electric Appliance	67,800	34	6.3	50,828	33	4.9	18,735	33	10.9
Operating income	5,000	100	4.2	4,622	100	(2.4)	3,037	100	1,050.4
Information Storage Media	3,200	64	141.7	3,066	66	88.2	1,945	64	-
Audio-Video Tape	(100)	-	-	(15)	-	-	87	3	(86.1)
Battery and Electric Appliance	1,900	38	(16.9)	1,571	34	(13.7)	1,005	33	91.1

Overseas sales

	Nine months ended December 2005		Change (%)	Three months ended December 2005		Change (%)
	Millions of yen	(%)		Millions of yen	(%)	
Overseas sales	49,721	32	4.2	18,171	32	9.0
America	26,243	17	(9.5)	9,726	17	(3.1)
Europe	21,377	14	11.2	7,990	14	34.7
Asia and other	97,341	63	1.4	35,887	63	10.0
Domestic sales	57,283	37	(3.6)	20,794	37	(5.5)
Total	154,624	100	(0.5)	56,681	100	3.8

Capital expenditure, Depreciation, R&D costs

Millions of yen

	FY ended March 2006 Forecast	Change (%)	Nine months ended December 2005	Change (%)	Three months ended December 2005	Change (%)
Capital expenditure	11,000	(27.6)	4,981	(55.2)	1,514	(49.8)
Depreciation	12,000	4.3	8,013	(9.0)	3,025	(12.4)
R&D costs	9,500	(2.0)	6,259	(18.6)	2,145	(20.3)