



Summary of Consolidated Financial Results for the Third Quarter ended December 31, 2007

January 31, 2008

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(Figures are rounded off to the nearest 1 million yen)

1. Business Results for the Third Quarter ended December 31, 2007

(April 1, 2007 through December 31, 2007)

(1) Operating Results (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2007	159,945	4.3	4,494	(20.7)	5,092	(20.8)	1,745	(26.7)
December 31, 2006	153,417	(0.8)	5,665	22.6	6,429	12.7	2,381	(22.2)
March 31, 2007	202,240	-	7,940	-	9,062	-	2,896	-

	Net income per share		Net income per share (Diluted)	
	Yen		Yen	
December 31, 2007	18.17		-	
December 31, 2006	24.80		-	
March 31, 2007	30.16		-	

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2007	271,315	195,508	72.1	2,035.39
December 31, 2006	267,200	195,762	73.3	2,038.71
March 31, 2007	262,640	195,862	74.6	2,039.77

(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, 2007	11,357	(5,846)	(2,520)	39,475
December 31, 2006	6,442	(4,224)	(23,221)	23,984
March 31, 2007	12,854	2,273	(23,346)	36,683

2. Dividend

The Company has omitted inclusion because it did not pay a dividend with a record date at the end of the quarter under review.

3. Business Forecast for the year ending March 31, 2008 (April 1, 2007 through March 31, 2008)

(% change from the previous corresponding period)

	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	
Full year	210,000	3.8	5,000	(37.0)	5,500	(39.3)	1,500	(48.2)	15.62	

4. Other

- | | |
|---|------|
| (1) Transfer of significant subsidiary during the period (transfer of a certain subsidiary resulting in a change in the scope of consolidation) : | None |
| (2) Adoption of simplified accounting method : | Yes |
| (3) Changes in accounting method : | None |

Note: For detailed information, please refer to page 4, “4. Other” of Qualitative Information /Financial Statements.

***Explanation regarding the appropriate use of forecasts of business results and other special instructions**

Forecasts of business results and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Actual business results may differ significantly due to a variety of factors. For further information on the abovementioned forecast preconditions and other related matters, please see page 4, “3. Qualitative Information Relating to Projections of Consolidated Business Results.”

[Qualitative Information / Financial Statements]

1. Qualitative Information Relating to Consolidated Business Results

(Unless otherwise stated, all comparisons are with business results in the period from April 1 to December 31, 2006.)

In the third quarter under review, from April 1 to December 31, 2007, net sales increased 4.3%, to 159,945 million yen, due to strong performances by the Battery segment and Material-Device-Electronic Appliance segment, which offset a lackluster performance by the Information Storage Media segment. In earnings, as the result of falling product prices and raw materials price hikes, the Company recorded decreases of 20.7% in operating income, to 4,494 million yen; 20.8% in ordinary income, to 5,092 million yen; and 26.7% in net income, to 1,745 million yen. In the third quarter, the average foreign currency exchange rates were: US\$1 = 117 yen and €1 = 164 yen. Business results by segment were as follows.

Information Storage Media

Computer tapes posted higher revenues thanks to increased shipment volumes of high-storage-capacity products, such as LTO Ultrium 3 and LTO Ultrium 4 data cartridges, which absorbed the effect of falling product prices. However, in optical discs, revenues declined overall due to lower revenues from recordable DVDs and CD-Rs as a result of falling prices, counteracting an upturn in shipment volumes of recordable DVDs. In audio tapes and video tapes, revenues decreased because of market contraction. As a result, the Information Storage Media segment's net sales were down 6.3%, to 83,534 million yen, and operating income declined 2,227 million yen, to 2,808 million yen, because of the effect of falling product prices.

* Linear Tape-Open, LTO, and Ultrium are trademarks of Hewlett Packard, IBM, and Quantum Corporation in the United States, other countries, or both.

Battery

Rechargeable batteries saw revenues increase on the back of favorable sales of thin-type high-capacity prismatic lithium ion rechargeable batteries for cellular phones and portable game machines. Primary batteries also achieved an increase in revenues, as higher revenues from such high-value-added products as heat-resistant, coin-type lithium manganese dioxide micro batteries compensated for a weak performance by alkaline dry batteries. As a result, the segment posted increases of 19.2% in net sales, to 41,960 million yen, and 1,236 million yen in operating income, to 2,515 million yen.

Material-Device-Electronic Appliance

In materials and devices, revenues rose due to brisk sales of optical disc drive pickup lenses, which are optical components, and the conversion of Siontec Corporation into a subsidiary in September 2007. Electronic appliance sales remained approximately the same. As a result, the segment's net sales were up 18.5%, to 34,451 million yen. Although earnings from materials and devices improved, earnings from electronic appliances were down. Consequently, the segment recorded a 180 million yen increase in operating loss, to 829 million yen.

Further, for net sales by region, capital expenditure, depreciation, and R&D expenses in the third quarter, please see the supplementary information on page 5.

2. Qualitative Information Relating to Consolidated Financial Position

Cash and cash equivalents (cash) at the end of the period totaled 39,475 million yen, up 2,792 million yen from the previous fiscal year-end. That increase resulted from net cash provided by operating activities of 11,357 million yen, net cash used in investing activities of 5,846 million yen, and net cash used in financing activities of 2,520 million yen. Respective cash flows were as follows.

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to 11,357 million yen, which primarily resulted from cash inflows related to income before income taxes of 3,818 million yen, depreciation of 8,531 million yen, and an increase in trade notes and accounts payables of 3,787 million yen as well as cash outflows related to an increase in trade notes and accounts receivables of 3,245 million yen.

Cash Flows from Investing Activities

Net cash used in investing activities totaled 5,846 million yen, mainly comprising cash outflows associated with purchase of tangible fixed assets of 9,424 million yen and 11,047 million yen due to the acquisition of shares of Sliontec Corporation as well as cash inflows of 14,981 million yen stemming from the net proceeds from sales and purchase of investment securities.

Cash Flows from Financing Activities

Net cash used in financing activities stood at 2,520 million yen, mostly resulting from cash outflows of 1,921 million yen related to dividends paid to shareholders.

3. Qualitative Information Relating to Projections of Consolidated Business Results

In light of business results in the period under review, the Company will revise the figures of the projections of consolidated and unconsolidated business results for the full fiscal year, ending March 2008, which it released on October 30, 2007. The Company expects consolidated and unconsolidated operating income and ordinary income to surpass its previous projections as a result of product mix improvements and cost reduction efforts.

Further, the Company will revise projections for consolidated and unconsolidated net income to reflect extraordinary gains and losses. For projections of business results by segment, please see the supplementary information on page 5.

4. Other

- (1) Transfer of significant subsidiary during the period (transfer of a certain subsidiary resulting in a change in the scope of consolidation)
None.
- (2) Adoption of simplified accounting methods
The Company adopted certain simplified methods with respect to depreciation of fixed assets, recognition standards for allowances, and other items.
- (3) Changes in accounting treatment methods in the current consolidated fiscal year
None.

Supplementary information
Consolidated Financial Results and Forecast

(Millions of yen)

	3Q/FY2007 (Oct.1, 2007- Dec.31, 2007)	Change* (%)	3Q/FY2007 (Apr.1, 2007- Dec.31, 2007)	Change* (%)	Forecast of FY 2007	Change* (%)
Net sales	58,145	7.1	159,945	4.3	210,000	3.8
Operating income	1,976	24.8	4,494	(20.7)	5,000	(37.0)
Ordinary income	2,683	33.9	5,092	(20.8)	5,500	(39.3)
Net income	1,381	37.3	1,745	(26.7)	1,500	(48.2)
Exchange rate (\$1=)	113 yen		117 yen		115 yen	
(€1=)	165 yen		164 yen		163 yen	

* % change from the previous corresponding period

Sales and Operating Income by Segment

	3Q/FY2007 (Oct.1, 2007- Dec.31, 2007)		Change* (%)	3Q/FY2007 (Apr.1, 2007- Dec.31, 2007)		Change* (%)	Forecast of FY 2007	Change* (%)
	Millions of yen	Composition (%)		Millions of yen	Composition (%)		Millions of yen	
Net sales	58,145	100	7.1	159,945	100	4.3	210,000	3.8
Information Storage Media	28,565	49	(10.3)	83,534	52	(6.3)	106,000	(9.2)
Battery	14,899	26	17.3	41,960	26	19.2	56,000	19.0
Material-Device- Electronic Appliance	14,681	25	50.4	34,451	22	18.5	48,000	24.6
Operating income	1,976	100	24.8	4,494	100	(20.7)	5,000	(37.0)
Information Storage Media	1,397	71	(12.5)	2,808	62	(44.2)	3,200	(51.3)
Battery	900	46	118.4	2,515	56	96.6	3,000	30.2
Material-Device- Electronic Appliance	(321)	-	-	(829)	-	-	(1,200)	-

* % change from the previous corresponding period

Overseas sales

	3Q/FY2007 (Oct.1, 2007- Dec.31, 2007)		Change* (%)	3Q/FY2007 (Apr.1, 2007- Dec.31, 2007)		Change* (%)
	Millions of yen	Composition (%)		Millions of yen	Composition (%)	
Overseas sales	35,898	62	5.3	104,171	65	6.3
America	14,354	25	(10.3)	43,248	27	(6.1)
Europe	9,441	16	0.1	27,998	17	6.3
Asia and other	12,103	21	39.9	32,925	21	28.7
Domestic sales	22,247	38	10.1	55,774	35	0.7
Total	58,145	100	7.1	159,945	100	4.3

* % change from the previous corresponding period

Capital expenditure, Depreciation, R&D expenses

(Millions of yen)

	3Q/FY2007 (Oct.1, 2007- Dec.31, 2007)	Change* (%)	3Q/FY2007 (Apr.1, 2007- Dec.31, 2007)	Change* (%)	Forecast of FY2007	Change* (%)
Capital expenditure	2,870	6.9	9,644	8.9	15,000	31.8
Depreciation	3,448	19.3	8,531	12.3	12,000	22.5
R&D expenses	2,573	14.8	7,168	8.5	10,000	16.3

* % change from the previous corresponding period

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Description	As of December 31, 2007		As of March 31, 2007		Increase/Decrease		As of December 31, 2006	
	Amount	Composition	Amount	Composition	Amount	Change	Amount	Composition
Current assets	137,964	50.9	116,300	44.3	21,664	18.6	117,619	44.0
Cash and deposits	13,961		11,086		2,875		10,315	
Trade notes and accounts receivables	46,068		40,109		5,959		44,011	
Marketable securities	10,934		6,847		4,087		16,355	
Inventories	28,139		26,762		1,377		29,458	
Cash pooling deposits	25,137		21,890		3,247		-	
Other current assets	13,725		9,606		4,119		17,480	
Fixed assets	133,351	49.1	146,340	55.7	(12,989)	(8.9)	149,581	56.0
Tangible fixed assets	94,638	34.9	81,647	31.1	12,991	15.9	80,724	30.2
Intangible fixed assets	2,278	0.8	1,568	0.6	710	45.3	1,624	0.6
Investments and other fixed assets	36,435	13.4	63,125	24.0	(26,690)	(42.3)	67,233	25.2
Total assets	271,315	100.0	262,640	100.0	8,675	3.3	267,200	100.0
Current liabilities	55,891	20.6	46,260	17.6	9,631	20.8	50,480	18.9
Trade notes and accounts payables	24,321		19,322		4,999		19,450	
Short-term bank loans	4,200		1,571		2,629		1,690	
Other current liabilities	27,370		25,367		2,003		29,340	
Long-term liabilities	19,916	7.3	20,518	7.8	(602)	(2.9)	20,958	7.8
Bonds	10,000		10,000		-		10,000	
Allowance for retirement benefits	9,012		9,251		(239)		9,262	
Other long-term liabilities	904		1,267		(363)		1,696	
Total liabilities	75,807	27.9	66,778	25.4	9,029	13.5	71,438	26.7
Shareholders' equity	199,120	73.4	199,251	75.9	(131)	(0.1)	198,737	74.4
Common stock	12,203	4.5	12,203	4.7	-	-	12,203	4.6
Capital surplus	22,326	8.2	22,327	8.5	(1)	(0.0)	22,327	8.4
Retained earnings	169,540	62.5	169,716	64.6	(176)	(0.1)	169,200	63.3
Cost of treasury stock	(4,949)	(1.8)	(4,995)	(1.9)	46	0.9	(4,993)	(1.9)
Total valuation and translation adjustments	(3,612)	(1.3)	(3,389)	(1.3)	(223)	(6.6)	(2,975)	(1.1)
Net unrealized holding gain (loss) on securities	(1,379)	(0.5)	(1,396)	(0.5)	17	1.2	(1,311)	(0.5)
Gain (loss) on deferred hedge transactions	-	-	(139)	(0.1)	139	-	(144)	(0.0)
Foreign currency translation adjustments	(2,233)	(0.8)	(1,854)	(0.7)	(379)	(20.4)	(1,520)	(0.6)
Total net assets	195,508	72.1	195,862	74.6	(354)	(0.2)	195,762	73.3
Total liabilities and net assets	271,315	100.0	262,640	100.0	8,675	3.3	267,200	100.0

Note: Increases or decreases represent comparisons between the end of the period under review and the end of the previous consolidated fiscal year.

(2) Consolidated Statements of Income

Description	April 1, 2007 through December 31, 2007		April 1, 2006 through December 31, 2006		Increase/ Decrease		April 1, 2006 through March 31, 2007	
	Amount	Composition	Amount	Composition	Amount	Change	Amount	Composition
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	159,945	100.0	153,417	100.0	6,528	4.3	202,240	100.0
Cost of sales	113,513	71.0	106,388	69.3	7,125	6.7	139,664	69.1
Gross profit	46,432	29.0	47,029	30.7	(597)	(1.3)	62,576	30.9
Selling, general and administrative expenses	41,938	26.2	41,364	27.0	574	1.4	54,636	27.0
Operating income	4,494	2.8	5,665	3.7	(1,171)	(20.7)	7,940	3.9
Non-operating income	2,536	1.6	2,551	1.7	(15)	(0.6)	3,654	1.8
Interest and dividend income	1,229		1,412		(183)		1,882	
Equity in earnings of non-consolidated subsidiaries and affiliates	136		122		14		136	
Miscellaneous income	1,171		1,017		154		1,636	
Non-operating expenses	1,938	1.2	1,787	1.2	151	8.4	2,532	1.2
Interest expenses	488		520		(32)		597	
Miscellaneous expenses	1,450		1,267		183		1,935	
Ordinary income	5,092	3.2	6,429	4.2	(1,337)	(20.8)	9,062	4.5
Extraordinary gains	493	0.3	30	0.0	463	-	1,942	1.0
Gain on sales of fixed assets	237		29		208		290	
Gain on sales of investment securities	195		-		195		-	
Other	61		1		60		1,652	
Extraordinary losses	1,767	1.1	1,177	0.8	590	50.1	1,919	1.0
Loss on disposal of fixed assets	804		570		234		731	
Impairment loss of long-lived assets	623		15		608		15	
Loss on revaluation of investment securities	331		592		(261)		1,148	
Other	9		-		9		25	
Income before income taxes	3,818	2.4	5,282	3.4	(1,464)	(27.7)	9,085	4.5
Income taxes - current	1,211	0.8	2,046	1.3	(835)	(40.8)	831	0.4
Income taxes - deferred	862	0.5	855	0.5	7	0.8	5,358	2.7
Net income	1,745	1.1	2,381	1.6	(636)	(26.7)	2,896	1.4

Note: Increases or decreases represent comparisons between the quarter under review and the previous corresponding period.

(3) Consolidated Statements of Cash Flows

(Millions of yen)

Description	April 1, 2007 through December 31, 2007	April 1, 2006 through December 31, 2006	April 1, 2006 through March 31, 2007
I Cash flows from operating activities			
Net profit before income taxes	3,818	5,282	9,085
Depreciation	8,531	7,596	9,792
Decrease (increase) in trade notes and accounts receivables	(3,245)	(2,663)	863
Decrease (increase) in inventories	(300)	(2,092)	(84)
Increase in trade notes and accounts payables	3,787	1,365	1,454
Other	(1,234)	(3,046)	(8,256)
Net cash provided by (used in) operating activities	11,357	6,442	12,854
II Cash flows from investing activities			
Purchase of tangible fixed assets	(9,424)	(8,967)	(10,566)
Net proceeds from sales and purchase of investment securities	14,981	4,817	12,419
Payments for acquisition of investments in newly consolidated subsidiary	(11,047)	-	-
Other	(356)	(74)	420
Net cash provided by (used in) investing activities	(5,846)	(4,224)	2,273
III Cash flows from financing activities			
Increase (decrease) in debt	(644)	(294)	(418)
Dividends paid to shareholders	(1,921)	(1,873)	(1,872)
Expenditures for redemption of bonds	-	(20,000)	(20,000)
Other	45	(1,054)	(1,056)
Net cash provided by (used in) financing activities	(2,520)	(23,221)	(23,346)
IV Effect of exchange rate changes on cash and cash equivalents	(199)	311	226
V Net increase (decrease) in cash and cash equivalents	2,792	(20,692)	(7,993)
VI Cash and cash equivalents at beginning of year	36,683	44,676	44,676
VII Cash and cash equivalents at end of period	39,475	23,984	36,683