

FOR IMMEDIATE RELEASE

Contacts:

Japan: Masanao Sato
Hitachi, Ltd.
+81-3-5208-9324
masanao.sato.sz@hitachi.com

Europe: Daniela Karthaus
Hitachi Europe, Ltd.
+44 – 1628 585 379
daniela.karthaus@hitachi-eu.com

**Hitachi to Commence Tender Offer for the Shares of its Subsidiary,
Hitachi Maxell**

Tokyo, July 28, 2009—Hitachi, Ltd. (NYSE: HIT/TSE: 6501) today announced that it has decided to acquire the common stock of Hitachi Maxell, Ltd. (Yoshito Tsunoda, President and Chief Executive Officer/TSE: 6810), by way of a tender offer (the “Tender Offer”).

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

Hitachi currently holds 51.67% of Hitachi Maxell’s issued shares, including indirect shareholdings of 0.30%, and thus accounts for Hitachi Maxell as a consolidated subsidiary. Hitachi intends to acquire all the issued shares of Hitachi Maxell (exclusive of its treasury stock) in order to make Hitachi Maxell a wholly owned subsidiary through the Tender Offer. The Tender Offer does not set maximum and minimum limits to the number of shares to be purchased.

According to Hitachi Maxell, its Board of Directors at its meeting held today resolved to approve the Tender Offer and to recommend shareholders to tender their shares to the Tender Offer.

(2) Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer

The Hitachi Group, which consists of Hitachi, its subsidiaries and affiliated companies, conducts a wide range of business activities from the development, production and sales of offerings 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.

Regarding Hitachi Maxell, Ltd., the dried batteries 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 Hitachi's consolidated subsidiary in 1964, changing its corporate name to Hitachi Maxell, Ltd. Currently, in accordance with the long-term vision of "Breakthrough to New Horizons—challenge of seeking fresh possibilities" set in its medium-term business plan, Hitachi Maxell has been accelerating a change in its business portfolio to improve profitability and to ensure new growth toward the medium-term mission of "Change for Growth." Specifically, Hitachi Maxell is concentrating its business resources in the priority businesses of "batteries," "optical components" and "functional materials & components," each of which has high potential of future growth and profitability. Hitachi Maxell promotes differentiation from competitors by optimizing its proprietary technologies and the development of high-value-added products to these three business areas. In its core Information Storage Media business, Hitachi Maxell will pursue higher profitability by introducing new products and reducing costs to restructure businesses.

Hitachi Maxell has been steadily expanding the business related to lithium ion rechargeable batteries, which is the core product line of its batteries business, one of its priority businesses. Specifically, in addition to products for mobile phones, which had been a main business field, Hitachi Maxell aims to expand its batteries business into power tools and electric-supported bicycles fields by developing new cylindrical products and laminated 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, Hitachi Maxell established a new electrode manufacturing plant with high-speed and high-precision coating systems that harness its outstanding proprietary technologies.

The Hitachi Group and Hitachi Maxell have reinforced their collaborations in the lithium ion rechargeable batteries business. For instance, Hitachi and Hitachi Maxell have been using Hitachi's laboratories to develop consumer-use lithium ion rechargeable batteries.

In 2004, Hitachi Maxell and Hitachi both invested in Hitachi Vehicle Energy, Ltd., which was established by the Hitachi Group and develops and sells lithium ion rechargeable batteries for automobiles. Harnessing Hitachi Maxell's technological experience accumulated in the development and manufacture of consumer-use compact lithium ion rechargeable batteries, Hitachi and Hitachi Maxell have been collaborating in the research and development of highly reliable and safe lithium ion rechargeable batteries for automobiles and such collaborations have produced significant results in design, development and manufacturing of such products.

As announced in the news release dated April 17, 2009 by Hitachi titled "Promotion of the lithium ion rechargeable batteries 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.

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 of new entrants in the consumer-use products business, among which there is pressure to lower the prices of finished products. There is also the 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, Hitachi and Hitachi Maxell have discussed various measures to improve the enterprise value of both companies and concluded that Hitachi's acquisition of Hitachi Maxell 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 Hitachi Maxell but also of the entire Hitachi Group.

Specifically,

- 1) First, Hitachi and Hitachi Maxell believe that both companies can favorably survive the competition in the automobile, industrial sectors and railway vehicles by aggressively combining the lithium ion batteries development capability, mass production technology and other tangible and intangible assets in the lithium ion batteries-related business areas that Hitachi Maxell has acquired in the consumer products field and Hitachi'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, Hitachi and Hitachi Maxell can enhance the development capability of products using lithium ion rechargeable batteries in these fields and accelerate the exploration of new applications. Hitachi and Hitachi Maxell also believe that Hitachi'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 Hitachi's research resources for products and services and it will be relatively easier for collaborations between Hitachi Maxell and Hitachi to lead to tangible results. Both companies expect tighter technological collaborations based on the integrated management of the Hitachi and Hitachi Maxell to generate

significant synergies.

- 3) In the promising lithium ion batteries business, competitors will also concentrate their business resources in this field. However, Hitachi Maxell's competitiveness is expected to be substantially improved by reinforcing the capital relationship with Hitachi. Through the integration, Hitachi Maxell will receive further credit, supported by the Hitachi's sturdy financial base, thereby enabling Hitachi Maxell to make flexible judgments for larger-scale investments.
- 4) In addition, by reinforcing the capital relationship between Hitachi Maxell and Hitachi, it will become possible to reduce the investment burden of Hitachi Maxell by sharing manufacturing lines with other Group companies such as Hitachi Vehicle Energy 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 Hitachi making Hitachi Maxell a wholly owned subsidiary and the establishment of a more stable capital relationship will be beneficial to Hitachi Maxell's businesses other than the batteries business as well.

Specifically, with regard to computer tapes and video tapes for broadcasting, for which Hitachi Maxell holds high market shares, and storage and broadcasting and telecommunications equipment, on which Hitachi's Information & Telecommunication Systems Group has been focusing, equipment and media has been developed at separate companies. In the future, however, Hitachi can expect faster product development and the acquisition of more customers through the collaboration between Hitachi Maxell and Hitachi, 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 Hitachi Maxell 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 Hitachi Maxell's Functional Materials & Components 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 Hitachi Maxell has nurtured worldwide, significant reinforcement of Hitachi’s consumer products sales capability can be expected.

Through reinforcement of the capital relationship between Hitachi and Hitachi Maxell in these ways, integrated business management will help optimize all the businesses conducted by Hitachi Maxell including the “batteries” 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 Hitachi or Hitachi Maxell.

Hitachi intends to reinforce Hitachi Maxell’s businesses, even after making it a wholly owned subsidiary, by not only respecting Hitachi Maxell’s self-initiatives and independence but also paying attention to Hitachi Maxell’s business features and the management that can fully utilize the operational and structural strength.

After making Hitachi Maxell its wholly owned subsidiary, Hitachi will strive for consistent growth of Hitachi Maxell in its priority areas by reinforcing Hitachi Maxell’s R&D capability and productivity through a stronger relationship with the Hitachi Group and the effective use of business resources.

Hitachi believes that the reinforcement of Hitachi Maxell’s business base and management base by such a strong relationship will lead to the improvement of the enterprise value of Hitachi Maxell and the entire Hitachi Group.

(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

Hitachi principally took into consideration the following matters to ensure the fairness of the Tender Offer.

- 1) Acquisition of the valuation report on the equity value received from an independent third-party appraiser

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

To calculate the equity value of Hitachi Maxell shares, Nomura Securities used the average market share price method, the comparable company analysis method and the discounted cash flow method (the “DCF” method). Hitachi received the valuation report on the equity value of Hitachi Maxell (the “Valuation Report for Hitachi”) from

Nomura Securities today. (Hitachi 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 Hitachi Maxell 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 Hitachi Maxell'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, three months and six months.

Secondly, under the comparable company analysis method, Nomura Securities judged the range per share of common stock to be \1,280 to \1,463, evaluating Hitachi Maxell'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 Hitachi Maxell.

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 Hitachi Maxell is expected to generate in the future by a certain discount rate to arrive at a net present value. This analysis was based on Hitachi Maxell's projected future profits from the fiscal year ending March 31, 2010 and later, taking into consideration Hitachi Maxell's business plans, an interview with the management of Hitachi Maxell, recent business performance, public information disclosures and other contributing factors.

Hitachi took into account the valuation results received from Nomura Securities using each method in its Valuation Report for Hitachi as reference and comprehensively considered examples of premiums added as of determining tender offer prices in past examples of tender offers for shares by entities other than issuers; whether the Board of Directors of Hitachi Maxell would accept the Tender Offer; the market share price trend of Hitachi Maxell's common stock; the expected number of subscriptions to the Tender Offer; and other factors. Furthermore, taking into account the results of consultations and negotiations with Hitachi Maxell, the final Tender Offer Price was determined at \1,740 per share of common stock by Hitachi's President and Chief Executive Officer today.

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 of ¥1,214 of common stock of Hitachi Maxell 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 average of ¥1,171 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Maxell 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 average of ¥1,104 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Maxell 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 average of ¥920 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Maxell for the past six months (from January 26 to July 24, 2009).

(*) 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.

On the other hand, according to Hitachi Maxell, for decision making concerning the Tender offer, Hitachi Maxell appointed Nikko Citigroup Limited a financial advisor that is independent of Hitachi and Hitachi Maxell as third-party appraiser. To make it a reference for inspecting the adequacy of the Tender Offer Price, Hitachi Maxell had Nikko Citigroup evaluate its share price and received the share price valuation report (the "Valuation Report for Hitachi Maxell") on July 21, 2009. (According to Hitachi Maxell, Hitachi Maxell did not obtain an opinion on the fairness of the Tender Offer Price, the so-called Fairness Opinion, from Nikko Citigroup.)

According to Hitachi Maxell, in the Valuation Report for Hitachi Maxell, Hitachi Maxell's equity value is analyzed based on financial information and projections submitted by Hitachi Maxell under certain assumptions and conditions. To calculate share price of Hitachi Maxell, Nikko Citigroup used the average market share price method, the comparable companies multiplier comparison method, the comparable tender offer case premium analysis method and the DCF method.

According to Hitachi Maxell, the computation result using each share price computation method in the Valuation Report for Hitachi Maxell 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 Hitachi Maxell 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 Hitachi Maxell was calculated to be ¥909 to ¥1,150.

With the comparable companies multiplier comparison method, by comparing the share prices and financial indicators that show the profitability of listed companies operating in the same business as that of Hitachi Maxell, the per share price of the shares of Hitachi Maxell 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 Hitachi Maxell's average closing price for each period, the per share price of the shares of Hitachi Maxell was calculated to be ¥1,151 to ¥1,820. Lastly, with the DCF method, Hitachi Maxell's share price was evaluated by estimating and discounting future free [cash flows](#) that Hitachi Maxell will produce by a certain discount rate to give their [present values](#) assuming Hitachi Maxell's future revenue projections and business/investment plans, etc. Using the DCF method, the per share price of the shares of Hitachi Maxell was calculated to be ¥1,544 to ¥1,788

According to Hitachi Maxell, Hitachi Maxell heard Nikko Citigroup's explanation on the Valuation Report for Hitachi Maxell at the meeting of the Board of Directors held on July 22, 2009.

According to Hitachi Maxell, based on the advice from the financial adviser, Nikko Citigroup, and the legal adviser, Nagashima Ohno & Tsunematsu, Hitachi Maxell's Board of Directors carefully inspected the Valuation Report for Hitachi Maxell from Nikko Citigroup, the conditions of the Tender Offer, the possibility of the use of the business resources held by Hitachi and the operational and financial synergies captured by Hitachi making Hitachi Maxell its wholly owned subsidiary. During such inspection, the Board fully respected opinions of the Special Committee. As a result, the Board determined that becoming a wholly owned subsidiary of Hitachi by accepting the Tender Offer will be beneficial to the improvement of Hitachi Maxell'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 Hitachi Maxell's minority shareholders is fully considered. The Board judged the Tender Offer to offer Hitachi Maxell's shareholders reasonable opportunities to sell their stock at an appropriate price. For these reasons, Hitachi Maxell's Board of Directors at its meeting held today, determined to approve the Tender Offer and to recommend that the shareholders subscribe to the Tender Offer.

2) Setting up a third-party committee in Hitachi Maxell

In addition, according to Hitachi Maxell, to ensure the fairness of the Tender Offer and raise the transparency and objectiveness of the transactions, Hitachi Maxell's Board of

Directors established a Special Committee on June 26, 2009. The Board determined to consult the Special Committee when inspecting and discussing the content of opinions to be disclosed concerning the Tender Offer. According to Hitachi Maxell, as members of the Special Committee, Hitachi Maxell selected five members who are independent from Hitachi and Hitachi Maxell: Yoshiya Kawamata (Lawyer; Professor at Kyoto University); Yuji Yamamoto (Certified Public Accountant; Representative Director and President, Huron Consulting Group, Ltd.); Susumu Miyoshi and Teruhiko Yoshikawa, who were Hitachi Maxell's Outside Directors until June 2009; and Tetsuo Horiuchi, who is currently an Outside Director of Hitachi Maxell.

According to Hitachi Maxell, since July 1, 2009, while paying full attention to minority shareholders' interests being protected, the Special Committee has inspected the detail of the opinions to be announced by Hitachi Maxell's Board of Directors in view of whether the Tender Offer contributes to the improvement of Hitachi Maxell's enterprise value and the interests of all shareholders as well as the interests of all stakeholders including Hitachi Maxell's employees. During the inspection, the Special Committee referred to the Valuation Report for Hitachi Maxell submitted by Nikko Citigroup, Hitachi Maxell's financial adviser, and heard an explanation on the valuation of Hitachi Maxell's share price from Nikko Citigroup. According to Hitachi Maxell, in this process, the Special Committee prudently inspected and discussed the matters addressed by Hitachi Maxell'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 Hitachi Maxell's enterprise value and the interests of all shareholders, the Tender Offer Price is set within an appropriate range and the interests of Hitachi Maxell's minority shareholders are considered in determining the price. As of July 22, 2009, the Committee reported these judgments to Hitachi Maxell's Board of Directors.

3) Legal advice from an independent law office

Again, according to Hitachi Maxell, Hitachi Maxell's Board of Directors appointed Nagashima Ohno & Tsunematsu that is independent of Hitachi and Hitachi Maxell as a legal advisor and received their advice concerning the Board of Directors' decision-making methods and process including various procedures for the Tender Offer.

4) Approval of all the directors attending the Board of Directors' meeting

According to Hitachi Maxell, the Board of Directors at its meeting held today, expressed approval of the Tender Offer and made a resolution to recommend shareholders to subscribe to the Tender Offer. This meeting was attended by all directors other than Michiharu Nakamura and Isao Uchigasaki and the resolution was made unanimously by all the attending directors. According to Hitachi Maxell, among Hitachi Maxell's directors, Michiharu Nakamura, who concurrently serves as a director

of Hitachi, and Isao Uchigasaki, who concurrently serves as a director of Hitachi's subsidiary, did not participate in the discussions and resolution by the Board of Directors concerning the Tender Offer to avoid any conflict of interest. The two also were not involved in negotiations with Hitachi representing Hitachi Maxell.

5) Setting the Tender Offer Period at a relatively long period

By setting the Tender Offer Period at 33 business days, which is a relatively long period, Hitachi provides the shareholders of Hitachi Maxell with the opportunity to reflect on the application for the Tender Offer and ensures the fairness of the Tender Offer Price.

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

As described in agenda Item (1) Outline of the Tender Offer above, Hitachi aims to make Hitachi Maxell a wholly owned subsidiary and intends to do so through the Tender Offer and a series of subsequent procedures to be implemented by around April 2010 at the latest.

If Hitachi cannot acquire all the issued shares of Hitachi Maxell (exclusive of its treasury stock) through the Tender Offer, Hitachi aims to acquire all the issued shares of Hitachi Maxell (exclusive of Hitachi Maxell shares held by Hitachi) by way of a share exchange with Hitachi Maxell so that Hitachi will become a wholly owning parent company and Hitachi Maxell will become a wholly owned subsidiary (the "Share Exchange") after the Tender Offer. The Share Exchange intends to deliver Hitachi shares as consideration for the Hitachi Maxell shares held by Hitachi Maxell's shareholders other than Hitachi. With the Share Exchange, all the Hitachi Maxell shares (exclusive of Hitachi Maxell shares held by Hitachi), including those that will not have been applied for the Tender Offer, will be wholly exchanged with Hitachi shares, and the shareholders of Hitachi Maxell to whom one (1) or more Hitachi shares are allotted will become Hitachi'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 approval at a General Meeting of Shareholders of Hitachi. 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 approval at a General Meeting of Shareholders of Hitachi Maxell.

The share exchange ratio for the Share Exchange will be finally determined upon consultations between Hitachi and Hitachi Maxell after the completion of the Tender Offer with due consideration of the interests of the respective shareholders of Hitachi and Hitachi Maxell. In determining the compensation (Hitachi shares; provided,

however, that if fractional shares 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 Hitachi Maxell through the Share Exchange, Hitachi Maxell shares are expected to be evaluated to be equivalent in value to the purchase price for the Hitachi Maxell shares of common stock in the Tender Offer.

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

In case the U.S. shareholders hold more than 10% of Hitachi Maxell's common stock as of a designated record date after settlement of the Tender Offer (The holding ratio is computed pursuant to the U.S. Securities Act of 1933) and Hitachi's obligation to submit a registration statement based on the U.S. Securities Act of 1933 arises, Hitachi plans to make Hitachi Maxell a wholly owned subsidiary by the following methods.

Specifically, after the Tender Offer comes into effect, Hitachi intends to request that Hitachi Maxell 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 Hitachi Maxell shall be partly amended to make Hitachi Maxell a corporation issuing class shares (*shurui kabushiki hakkou kaisha*) under the Companies Act; 2) The Articles of Incorporation of Hitachi Maxell shall be partly amended to the effect that all issued shares of common stock of Hitachi Maxell shall be appended with a call provision (*zenbu-shutoku-joko*) (a provision regarding the redeemable right of Hitachi Maxell 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 Hitachi Maxell shares shall be issued by Hitachi Maxell in exchange for acquiring all the stocks with the call provision of Hitachi Maxell (exclusive of its treasury stock).

Furthermore, as Hitachi Maxell will be made 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 at a meeting of shareholders with class shares (the "Class Shareholders' Meeting"), at which the participants will be shareholders who hold all the stocks with

the call provision of Hitachi Maxell. For this purpose, Hitachi will also request that Hitachi Maxell hold the Class Shareholders' Meeting to include agenda Item 2) above for partial amendment to the Articles of Incorporation. Meanwhile, Hitachi 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 Hitachi Maxell will be subject to the call provision and shall be acquired by Hitachi Maxell (exclusive of its treasury stock) and a different class of Hitachi Maxell shares shall be delivered to such shareholders of Hitachi Maxell as consideration for such acquisition by Hitachi Maxell. Shareholders who are to receive fractions of the different class of Hitachi Maxell shares will receive cash as consideration, which will be obtained through a sale of the different class of Hitachi Maxell 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 Hitachi Maxell) (fractions of the aggregate number to be rounded down) 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 Hitachi Maxell 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 Hitachi Maxell to be delivered as consideration for the acquisition of the stocks with the call provision of Hitachi Maxell have not been determined today, Hitachi intends to request Hitachi Maxell to determine that the shares that must be delivered to shareholders who have not tendered the Tender Offer other than Hitachi shall be limited to such fractions of the different class of Hitachi Maxell for the purpose of enabling Hitachi to acquire all the issued shares of Hitachi Maxell (exclusive of its treasury stock).

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 Hitachi Maxell shall be subject to the call provision as stated in agenda Item 2) above, any shareholder may request that Hitachi Maxell 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 stocks with the call provision, as described in agenda Item 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. In addition, 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.

With regard to the above procedures, there is a possibility that Hitachi may request Hitachi Maxell to conduct another method that would have similar effects depending on such factors as Hitachi's holding status of Hitachi Maxell shares after the Tender Offer, the holding status of Hitachi Maxell shares by shareholders other than Hitachi, 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, Hitachi intends to make Hitachi Maxell a wholly owned subsidiary by adopting the method of finally delivering cash to shareholders of Hitachi Maxell other than Hitachi. In such cases, the resulting cash amount to be delivered to the relevant shareholders is also expected to be calculated on the basis of the Tender Offer Price.

The Tender Offer is not intended to solicit shareholders of Hitachi Maxell to vote in favor of the proposals to be put to the Extraordinary Shareholders' Meeting and the Class Shareholders' Meeting.

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

As of the date hereof, the common stock of Hitachi Maxell is listed on the First Section of the Tokyo Stock Exchange and the First Section of the Osaka Securities Exchange. As Hitachi has not set the maximum limit to the number of shares to be purchased through the Tender Offer, Hitachi Maxell 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 Hitachi Maxell will be delisted in accordance with the delisting standards because Hitachi intends to make Hitachi Maxell 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). Trading of common stock of Hitachi Maxell will become unavailable on the Tokyo Stock Exchange and the Osaka Securities Exchange after the delisting.

(6) Matters concerning Material Agreement regarding the Application to the Tender Offer between Hitachi and Shareholders of Hitachi Maxell

Not applicable

2. Outline of the Tender Offer and Other Information

(1) Outline of the Target Company

Corporate Name	Hitachi Maxell, Ltd.	
Description of Businesses	Manufacturing and marketing of Information Storage Media, Batteries and Material-Device-Electronic Appliances.	
Date Established	September 3, 1960	
Head Office	1-88, Ushitora 1-chome, Ibaraki-shi, Osaka	
Name and Title of Representative	Yoshito Tsunoda, President and Chief Executive Officer	
Paid-in Capital	¥12,203 million (As of March 31, 2009)	
Major Shareholders and Shareholdings	Hitachi, Ltd.	51.37%
	Japan Trustee Services Bank, Ltd.	8.46%
	The Master Trust Bank of Japan, Ltd.	4.70%
	State Street Bank and Trust Company 505019	1.41%
	(Standing proxy: Mizuho Corporate Bank, Ltd., Kabuto-cho Securities Settlement Operation Center)	
	CBNY DFA International Cap Value Portfolio	1.01%
	(Standing proxy: Citibank Japan Ltd.)	
	TAM TWO (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	0.96%
	The Nomura Trust and Banking Co., Ltd.	0.80%
	Trust & Custody Services Bank, Ltd.	0.76%
	State Street Bank and Trust Company (Standing proxy: Mizuho Corporate Bank, Ltd., Kabuto-cho Securities Settlement Operation Center)	0.62%
	RBC Dexia Investor Service Bank Account	0.61%
	Luxembourg Non-Resident Domestic Rate	
(Standing proxy agent: Standard Chartered Bank)		
(As of March 31, 2009)		
Relationships between Hitachi and Hitachi Maxell	Capital Relationships	Hitachi holds 51,426,930 shares of Hitachi Maxell, equivalent to a shareholding of 51.67% of the total number of issued shares, including indirect holdings of 0.30%. (As of March 31, 2009)
	Personnel Relationships	One Hitachi director sits on Hitachi Maxell's Board of Directors.
	Transaction Relationships	Hitachi conducts fund transactions with Hitachi Maxell under the Hitachi Group's cash pooling system.
	Status as a Related Party	Hitachi Maxell is a consolidated subsidiary of Hitachi, and therefore a Related Party of Hitachi.

(2) Tender Offer Period

1) Initial Period of the Tender Offer in the Registration

From Thursday, August 20, 2009 to Thursday, October 8, 2009 (both inclusive) (33 business days)

2) Possibility of Extending the Above Period upon Request of Hitachi Maxell

None.

(3) Tender Offer Price: ¥1,740 per share of common stock

(4) Basis of Calculation of the Tender Offer Price

1) Basis of Calculation

For reference in determining the Tender Offer Price, Hitachi requested that Nomura Securities, a financial adviser as a third-party appraiser independent from Hitachi and Hitachi Maxell, calculate the equity value of Hitachi Maxell shares. To calculate the equity value of Hitachi Maxell shares, Nomura Securities used the average market share price method, the comparable company analysis method and the DCF method. Hitachi received the Valuation Report for Hitachi from Nomura Securities today. (Hitachi 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 Hitachi Maxell 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 Hitachi Maxell'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, for the most recent one month, for the most recent three months and 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 Hitachi Maxell'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 Hitachi Maxell. 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 Hitachi Maxell is expected to generate in the future by a certain discount rate to arrive at a net present value. This analysis was based on Hitachi Maxell's projected future profits from the fiscal year ending March 31, 2010 and later, taking into consideration Hitachi Maxell's business plans, an interview with the management of Hitachi Maxell, recent business performance, public information disclosures and other contributing factors.

Hitachi took into account the valuation results received from Nomura Securities using each method in its Valuation Report for Hitachi as reference and comprehensively considered examples of premiums added as of determining tender offer prices in past examples of tender offers for shares by entities other than issuers; whether the Board of Directors of Hitachi Maxell would accept the Tender Offer; the market share price trend of Hitachi Maxell's common stock; the expected number of subscriptions to the Tender Offer; and other factors. Furthermore, taking into account the results of consultations and negotiations with Hitachi Maxell, the final Tender Offer Price was determined at ¥1,740 per share of common stock by Hitachi's President and Chief Executive Officer today.

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 of ¥1,214 of common stock of Hitachi Maxell 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 average of ¥1,171 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Maxell 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 average of ¥1,104 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Maxell 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 average of ¥920 (rounded to the nearest yen) of the closing share prices of common stock of Hitachi Maxell for the past six months (from January 26 to July 24, 2009).

(*) 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 calculation of the premium was made 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, the past three months and the past six months were made in the same manner.

2) Background of the Valuation

(Background to the decision regarding the Tender Offer Price)

Hitachi Maxell is a consolidated subsidiary of Hitachi. The Hitachi Group and Hitachi Maxell have reinforced their collaborations in the lithium ion batteries business.

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 of new entrants in the consumer-use products business, there is pressure to lower the prices of finished products. Given the 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 system electric-driven and for practical application of new energy that replaces fossil fuel. The Hitachi Group must reinforce a system that can flexibly address such customer needs in order to improve the growth and profitability of the Hitachi Group in the lithium ion batteries business.

Under such circumstances, since the end of March 2009, Hitachi and Hitachi Maxell have discussed various measures to improve the enterprise value of both companies and concluded that Hitachi's acquisition of Hitachi Maxell 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 Hitachi Maxell but also of the entire Hitachi Group. Through the acquisition, the relationship between the Hitachi Group and Hitachi Maxell will be further reinforced and the integrated management of the Hitachi Group and Hitachi Maxell will realize synergies in Hitachi's social innovation business and lithium ion batteries business as well as Hitachi Maxell's batteries business and all the other businesses. Consequently, Hitachi determined to conduct the Tender Offer and decided on the Tender Offer Price in the following manner.

(i) Name of the Third Party from Which Hitachi Obtained Valuations

In determining the Tender Offer Price, Hitachi in May 2009 requested that Nomura Securities, a financial adviser as a third-party appraiser independent from Hitachi and Hitachi Maxell, calculate the equity value of Hitachi Maxell shares. Hitachi received the Valuation Report for Hitachi on the equity value of Hitachi Maxell shares from Nomura Securities today. (Hitachi did not obtain an opinion on the fairness of its valuations of the Tender Offer Price, the so-called Fairness Opinion, from Nomura Securities.)

(ii) Outline of the Valuation Report for Hitachi

To calculate the equity value of Hitachi Maxell shares, Nomura Securities used the average market share price method, the comparable company analysis method and the DCF method. The range of valuations per share of common stock of Hitachi Maxell 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

(iii) Process for Determining the Tender Offer Price Based on the Valuation Report for Hitachi

Hitachi took into account the valuation results received from Nomura Securities using each method in its Valuation Report for Hitachi as reference and comprehensively considered examples of premiums added as of determining tender offer prices in past examples of tender offers for shares by entities other than issuers; whether the Board of Directors of Hitachi Maxell would accept the Tender Offer; the market share price trend of Hitachi Maxell's common stock; the expected number of subscriptions to the Tender Offer; and other factors. Furthermore, taking into account the results of consultations and negotiations with Hitachi Maxell, the final Tender Offer Price was determined at ¥1,740 per share of common stock by Hitachi's President and Chief Executive Officer today.

(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)

Hitachi principally took into consideration the following matters to ensure the fairness of the Tender Offer.

(i) Acquisition of the valuation report on the equity value from the Independent Third-Party Appraiser

In determining the Tender Offer Price, Hitachi requested that Nomura Securities, a financial adviser and third-party appraiser independent from Hitachi and Hitachi Maxell, calculate the equity value of Hitachi Maxell shares as one of the measures to ensure the fairness of the Tender Offer Price.

To calculate the equity value of Hitachi Maxell shares, Nomura Securities used the average market share price method, the comparable company analysis method and the DCF method. Hitachi received the Valuation Report for Hitachi from

Nomura Securities today. (Hitachi 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.)

Hitachi took into account the valuation results received from Nomura Securities using each method in its Valuation Report for Hitachi as reference and comprehensively considered examples of premiums added as of determining tender offer prices in past examples of tender offers for shares by entities other than issuers; whether the Board of Directors of Hitachi Maxell would accept the Tender Offer; the market share price trend of Hitachi Maxell's common stock; the expected number of subscriptions to the Tender Offer; and other factors.

Furthermore, taking into account the results of consultations and negotiations with Hitachi Maxell, the final Tender Offer Price was determined at ¥1,740 per share of common stock by Hitachi's President and Chief Executive Officer today.

On the other hand, according to Hitachi Maxell, Hitachi Maxell appointed Nikko Citigroup Limited a financial advisor that is independent of Hitachi and Hitachi Maxell as third-party appraiser. To make it a reference for inspecting the adequacy of the Tender Offer Price, Hitachi Maxell had Nikko Citigroup evaluate its share price and received the Valuation Report for Hitachi Maxell as of July 21, 2009. (According to Hitachi Maxell, Hitachi Maxell did not obtain an opinion on the fairness of the Tender Offer Price, the so-called Fairness Opinion, from Nikko Citigroup.)

According to Hitachi Maxell, in the Valuation Report for Hitachi Maxell, Hitachi Maxell's equity value is analyzed based on financial information and projections submitted by Hitachi Maxell under certain assumptions and conditions. To calculate share price of Hitachi Maxell, Nikko Citigroup used the average market share price method, the comparable companies multiplier comparison method, the comparable tender offer case premium analysis method and the DCF method.

According to Hitachi Maxell, the computation result using each share price computation method in the Valuation Report for Hitachi Maxell 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 Hitachi Maxell 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 Hitachi Maxell was calculated to be ¥909 to ¥1,150. With the comparable companies multiplier comparison method, by comparing the share prices and financial indicators that show the profitability of listed companies operating in the same business as that of Hitachi Maxell, the per share price of the shares of Hitachi Maxell 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 Hitachi Maxell's average closing price for each period, the per share price of the shares of Hitachi Maxell was calculated to be ¥1,151 to ¥1,820. Lastly, with the DCF method, Hitachi Maxell's share price was evaluated by estimating and discounting future free [cash flows](#) that Hitachi Maxell will produce by a certain discount rate to give their [present values](#) assuming Hitachi Maxell's future revenue projections and business and investment plans, etc. Using the DCF method, the per share price of the shares of Hitachi Maxell was calculated to be ¥1,544 to ¥1,788

According to Hitachi Maxell, Hitachi Maxell heard Nikko Citigroup's explanation on the Valuation Report for Hitachi Maxell at the meeting of the Board of Directors held on July 22, 2009.

According to Hitachi Maxell, based on the advice from the financial adviser, Nikko Citigroup, and the legal adviser, Nagashima Ohno & Tsunematsu, Hitachi Maxell's Board of Directors carefully inspected the report from the Special Committee, the Valuation Report for Hitachi Maxell from Nikko Citigroup, the conditions of the Tender Offer, the possibility of the use of the business resources held by Hitachi and the operational and financial synergies captured by Hitachi making Hitachi Maxell its wholly owned subsidiary. As a result, the Board determined that becoming a wholly owned subsidiary of Hitachi by accepting the Tender Offer will be beneficial to the improvement of Hitachi Maxell'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 Hitachi Maxell's minority shareholders is fully considered. The Board judged the Tender Offer to offer Hitachi Maxell's shareholders reasonable opportunities to sell their stock at an appropriate price. For these reasons, Hitachi Maxell's Board of Directors at its meeting held today, determined to approve the Tender Offer and to recommend that the shareholders subscribe to the Tender Offer.

(ii) Setting up a third-party committee in Hitachi Maxell

In addition, according to Hitachi Maxell, to secure the fairness of the Tender Offer and raise the transparency and objectiveness of the transactions, Hitachi Maxell's Board of Directors established a Special Committee on June 26, 2009. The Board determined to consult the Special Committee when inspecting and discussing the content of opinions to be disclosed concerning the Tender Offer. According to Hitachi Maxell, as members of the Special Committee, Hitachi Maxell selected five members who are independent from Hitachi Maxell and Hitachi: Yoshiya Kawamata (Lawyer; Professor at Kyoto University); Yuji Yamamoto (Certified Public

Accountant; Representative Director and President, Huron Consulting Group, Ltd.); Susumu Miyoshi and Teruhiko Yoshikawa, who were Hitachi Maxell's Outside Directors until June 2009; and Tetsuo Horiuchi, who is currently an Outside Director of Hitachi Maxell.

According to Hitachi Maxell, since July 1, 2009, while paying full attention to minority shareholders' interests being protected, the Special Committee has inspected the detail of the opinions to be announced by Hitachi Maxell's Board of Directors in view of whether the Tender Offer contributes to the improvement of Hitachi Maxell's enterprise value and the interests of all shareholders as well as the interests of all stakeholders including Hitachi Maxell's employees. During the inspection, the Special Committee referred to the Valuation Report for Hitachi Maxell submitted by Nikko Citigroup, Hitachi Maxell's financial adviser, and heard explanation on the valuation of Hitachi Maxell's share price from Nikko Citigroup. According to Hitachi Maxell, in this process, the Special Committee prudently inspected and discussed the matters addressed by Hitachi Maxell'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 Hitachi Maxell's enterprise value and the interests of all shareholders, the Tender Offer Price is set within an appropriate range and the interests of Hitachi Maxell's minority shareholders are considered in determining the price. As of July 22, 2009, the Committee reported these judgments to Hitachi Maxell's Board of Directors.

(iii) Legal advice from an independent law office

Again, according to Hitachi Maxell, Hitachi Maxell's Board of Directors appointed Nagashima Ohno & Tsunematsu that is independent of Hitachi and Hitachi Maxell as a legal advisor and received their advice concerning the Board of Directors' decision making methods and process including various procedures for the Tender Offer.

(iv) Approval of all the directors attending the Board of Directors' meeting

According to Hitachi Maxell, the Board of Directors at its meeting held today, expressed approval of the Tender Offer and made a resolution to recommend shareholders to subscribe to the Tender Offer. This meeting was attended all directors other than Michiharu Nakamura and Isao Uchigasaki and resolution was made unanimously by all the attending directors. According to Hitachi Maxell, among Hitachi Maxell's directors, Michiharu Nakamura, who concurrently serves as a director of Hitachi, and Isao Uchigasaki, who concurrently serves as a director of Hitachi's subsidiary, did not participate in the discussions and resolution by the Board of Directors concerning the Tender Offer to avoid any conflict of interest. The two also were not involved in negotiations with Hitachi

representing Hitachi Maxell.

(v) Setting the Tender Offer Period at a relatively long period

By setting the Tender Offer Period at 33 business days, which is a relatively long period, Hitachi provides the shareholders of Hitachi Maxell with the opportunity to fully reflect on the application for the Tender Offer and ensures the fairness of the Tender Offer Price.

3) Relationship with the Third-Party Appraiser

Nomura Securities is not a Related Party of Hitachi.

(5) Number of Shares to Be Purchased

Number of Shares to Be Purchased	Minimum Number of Shares to Be Purchased	Maximum Number of Shares to Be Purchased
44,929,356 shares	— shares	— shares

Notes:

1. As the maximum and minimum limits to the number of shares to be purchased through the Tender Offer are not set, all of the tendered shares will be purchased.
2. Less-than-one-unit shares are also eligible for the Tender Offer. In addition, Hitachi Maxell may purchase its own shares during the Tender Offer Period, pursuant to applicable laws and regulations, if shareholders owning less-than-one-unit shares exercise their right to request purchase of their shares in accordance with the relevant provisions of the Companies Act.
3. Hitachi does not intend to acquire treasury stock held by Hitachi Maxell through the Tender Offer.
4. The maximum number of shares of Hitachi Maxell to be acquired by Hitachi through the Tender Offer is stated in the "Number of Shares to Be Purchased." This number indicates Hitachi Maxell shares (44,929,356 shares) that are to be obtained by deducting the total of the number of shares held by Hitachi as of the date hereof (51,132,131 shares) and the number of shares of treasury stock held by Hitachi Maxell as of March 31, 2009 (3,470,646 shares), from the total number of issued shares of Hitachi Maxell as of March 31, 2009 (99,532,133 shares), which are stated in the securities report of the 63rd term filed by Hitachi Maxell on June 26, 2009.

(6) Changes in the Shareholdings due to the Tender Offer

Number of voting rights represented by shares held by Hitachi immediately before the Tender Offer	511,321 units	(Shareholdings immediately before the Tender Offer: 53.25%)
Number of voting rights represented by shares held by Special Related Parties immediately before the Tender Offer	— units	(Shareholdings immediately before the Tender Offer: —%)
Number of voting rights represented by shares to be purchased by the Tender Offer	449,293 units	(Shareholdings after the Tender Offer: 100.00%)
Total number of voting rights held by all the shareholders in Hitachi Maxell	960,161 units	

Notes:

1. The "Shareholdings immediately before the Tender Offer" was calculated using the "Total number of voting rights held by all the shareholders in the Target Company" as the denominator.

2. The “Number of voting rights represented by shares held by Special Related Parties immediately before the Tender Offer” represents the total of voting rights relating to shares held by respective Special Related Parties as identified by Hitachi as of the date hereof. Provided, however, that such Special Related Parties shall exclude those to be excluded from the category of Special Related Parties in accordance with Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance regarding Disclosure of Tender Offers for Shares, etc., by Entities Other than Issuers (Ministry of Finance Ordinance No. 38 of 1990; including amendment thereof; the “Ordinance”) in calculating the shareholdings, as set forth in the respective items of Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Law (Law No. 25 of 1948; including amendments thereof; the “Law”).
3. The “Number of voting rights represented by shares to be purchased by the Tender Offer” indicates the number of voting rights relating to the number of shares to be purchased in the Tender Offer (44,929,356 shares).
4. Because the shares held by respective Special Related Parties (exclusive of treasury stock held by Hitachi Maxell being a Special Related Party) are also subject to the Tender Offer, the “Number of voting rights represented by shares held by Special Related Parties immediately before the Tender Offer” is not included in the numerator in the calculation of “Shareholdings after the Tender Offer.”
5. The “Total number of voting rights held by all the shareholders in Hitachi Maxell” (100 shares represent the number of shares per unit (*tangen*)) indicates the number of voting rights of all the shareholders of Hitachi Maxell as of March 31, 2009, which are stated in the securities report of the 63rd term filed by Hitachi Maxell on June 26, 2009. Because all the shares issued by Hitachi Maxell (exclusive of its treasury stock) are subject to the Tender Offer, the “Shareholdings after the Tender Offer” was calculated using the number of voting rights (960,614 units) concerning shares of Hitachi Maxell (96,061,487 shares), which is derived by deducting the total number of shares of treasury stock held by Hitachi Maxell as of March 31, 2009 (3,470,646 shares), which are stated in said securities report, from the total number of issued shares as of March 31, 2009 (99,532,133 shares), which are stated in said securities report, as the denominator.
6. The figures in the “Shareholdings immediately before the Tender Offer” and the “Shareholdings after the Tender Offer” were rounded to two decimal places.

(7) Tender Offer Cost: ¥78,177 million

Note: The Tender Offer Cost is calculated by multiplying 44,929,356 shares (Number of Shares to Be Purchased) by the Tender Offer Price for each share of ¥1,740.

(8) Method of Settlement

1) Name and Location of Head Office of Securities Companies/Banks, etc., in Charge of Settlement

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

JOINVEST Securities Co., Ltd. (Sub-Agent)

15-1, Konan 2-chome, Minato-ku, Tokyo

2) Commencement Date of Settlement

Friday, October 16, 2009

3) Method of Settlement

With respect to tendering shareholders through the Tender Offer Agent, upon expiration of the Tender Offer Period, Hitachi will, without delay, send notice of the Tender Offer purchases to the addresses of tendering shareholders (in the case of a foreign resident who does not hold a working account with the Tender Offer Agent (including the case of an institutional shareholder), to its standing proxy). With respect to tendering shareholders through JOINVEST Securities Co., Ltd., the Sub-Agent, the notice will be delivered in accordance with the method described on the Sub-Agent's website (<https://www.joinvest.jp/>).

Purchases will be made in cash. Payment for purchased shares will be made by means of remittance, etc., in accordance with the instructions of tendering shareholders. (Fees may be incurred for remitting payment.)

4) Method of Returning Shares

In the event that Hitachi does not purchase all of the tendered shares in accordance with the conditions mentioned in “2) Conditions of Withdrawal of Tender Offer, Details thereof and Method of Disclosing the Withdrawal” of “(9) Other Conditions and Methods of the Tender Offer” below, Hitachi will return shares by recovering the record to the status immediately before the shares were tendered, soon after the commencement date of settlement (if the Tender Offer is withdrawn, the date of withdrawal). (If shares are to be transferred to an account of a tendering shareholder at another securities company, etc., please provide instructions to that effect.)

(9) Other Conditions and Methods of the Tender Offer

1) Conditions and Details in Each Item of Article 27-13, Paragraph 4 of the Law

As the maximum and minimum limits to the number of shares to be purchased through the Tender Offer are not set, Hitachi will purchase all of the tendered shares.

2) Conditions of Withdrawal of the Tender Offer, Details thereof and Method of Disclosing the Withdrawal

Upon the occurrence of any event falling under the provisions of Article 14, Paragraph 1, Items 1.1 through 1.9 and 1.12 through 1.18, Item 2, Items 3.1 through 3.8, Item 4, Item 5 and Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Regulations of the Financial Instruments and Exchange Law (Regulation No. 321 of 1965; including amendment thereof; the “Enforcement Regulations”), Hitachi may withdraw the Tender Offer. If Hitachi decides to withdraw the Tender Offer, Hitachi will make a public notice electronically, and publish a notice in the *Nihon Keizai Shimbun*.

Provided, however, that if it is difficult to make such a public notice by the end of the Tender Offer Period, Hitachi will make an announcement as provided for in Article 20 of the Ordinance and thereafter give notice without delay.

3) Conditions for Reducing the Tender Offer Price, Details thereof and Method of Disclosing the Reduction

If Hitachi Maxell takes any actions provided for in Article 13, Paragraph 1 of the Enforcement Regulations during the Tender Offer Period in accordance with the provisions of Article 27-6, Paragraph 1, Item 1 of the Law, the Tender Offer Price may be reduced in accordance with the provisions of Article 19, Paragraph 1 of the Ordinance. If Hitachi decides to reduce the Tender Offer Price, Hitachi will make a public notice electronically, and publish a notice in the *Nihon Keizai Shimbun*.

Provided, however, that if it is difficult to make such a public notice by the end of the Tender Offer Period, Hitachi will make an announcement as provided for in Article 20 of the Ordinance and thereafter give notice without delay. If the Tender Offer Price is reduced, the shares tendered before the public notice, will also be purchased at the reduced Tender Offer Price.

4) Matters concerning Tendering Shareholders' Rights to Cancel Agreements

Any tendering shareholder may cancel agreements relating to the Tender Offer at any time during the Tender Offer Period. Tendering shareholders who tendered through the Tender Offer Agent intending to cancel an agreement with the Tender Offer Agent should deliver or send a Cancellation Statement for Tender Offer Agreement (the "Cancellation Statement") along with the tender offer application acceptance receipt to the head office or nationwide branch offices of the Tender Offer Agent who accepted the application, by 3:30 p.m. on the last day of the Tender Offer Period. Provided, however, that cancellations sent by tendering shareholders, must reach the said offices by no later than 3:30 p.m. on the last day of the Tender Offer Period. In order to cancel any such agreement made through JOINVEST Securities Co., Ltd., the Sub-Agent, tendering shareholders who subscribed to share certificates, etc. through said Sub-Agent must complete the cancellation procedures by 3:30 p.m. on the last day of the Tender Offer Period in accordance with the instructions on the Sub-Agent's website (<https://www.joinvest.jp/>).

The agents with the authority to receive a Cancellation Statement:

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

(other nationwide branch offices in Japan)

JOINVEST Securities Co., Ltd. (Sub-Agent)

15-1, Konan 2-chome, Minato-ku, Tokyo

Hitachi will not make any claim for damages or the payment of penalties to a tendering

shareholder if a tendering shareholder cancels an agreement. In addition, Hitachi will bear the costs of returning tendered shares.

5) Method of Disclosure if Conditions, etc., of the Tender Offer are Changed

If Hitachi decides to change the Tender Offer conditions, etc., Hitachi will make a public notice electronically, and publish a notice in the *Nihon Keizai Shimbun* detailing the changes. Provided, however, that it is difficult to make such a public notice by the end of the Tender Offer Period, Hitachi will make an announcement as provided for in Article 20 of the Ordinance and thereafter give notice without delay. If Tender Offer conditions, etc., are changed, shares tendered before the public notice will also be purchased under the amended conditions.

6) Method of Disclosure When Submitting an Amendment Statement

If an Amendment Statement is filed with the Director of the Kanto Local Finance Bureau in Japan, Hitachi will immediately announce details from the Amendment Statement that relate to the contents of the public notice of the commencement of the Tender Offer, in accordance with the manner prescribed by Article 20 of the Ordinance. Hitachi will also immediately change the Tender Offer Explanatory Statement and deliver the amended document to tendering shareholders who have already received the Tender Offer Explanatory Statement. However, if the changes are only minor in nature, Hitachi will prepare a document stating the reasons for such amendments, the items that have been amended and the details, and deliver said document to tendering shareholders.

7) Method of Disclosing Tender Offer Results

Hitachi will publicly announce the results of the Tender Offer the day after the last day of the Tender Offer Period, in accordance with the provisions of Article 9-4 of the Enforcement Regulations and of Article 30-2 of the Ordinance.

(10) Date of Public Notice of Commencement of the Tender Offer

Thursday, August 20, 2009

(11) Tender Offer Agent

Nomura Securities Co., Ltd.
9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

To delegate a part of its duties, the Tender Offer Agent has appointed the following company as a Sub-Agent:

JOINVEST Securities Co., Ltd. (Sub-Agent)
15-1, Konan 2-chome, Minato-ku, Tokyo

3. Management Policy and Outlook after the Tender Offer

(1) Management Policy after the Tender Offer

Refer to “1. Purpose of the Tender Offer” with regard to the management policy after the Tender Offer.

(2) Outlook for Future Business Performance after the Tender Offer

The expected impact of the Tender Offer on the Hitachi Group’s business results will be announced as soon as it is determined.

4. Other Information

(1) Agreement between Hitachi and the Target Company and/or Its Directors

According to Hitachi Maxell, the Board of Directors of Hitachi Maxell at its meeting held today, expressed approval of the Tender Offer and made a resolution to recommend shareholders to subscribe to the Tender Offer. This meeting was attended all directors other than Michiharu Nakamura and Isao Uchigasaki and resolution was made unanimously by all the attending directors.

Refer to “(2) Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer” and “(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” of “1. Purpose of the Tender Offer” with regard to the “Decision-Making Process of the Tender Offer” and “Details of Measures to Avoid Conflicts of Interest.”

(2) Other Information Considered Necessary for Helping Investors Decide Whether to Subscribe to the Tender Offer

1) Today Hitachi Maxell publicly announced its closing of accounts information for the first quarter of the 64th fiscal term, at the Tokyo Stock Exchange and the Osaka Securities Exchange. A summary of Hitachi Maxell’s consolidated operating results and other financial statements based on this release is provided below. The summary of this disclosed information is an excerpt of the announcement released by Hitachi Maxell, and Hitachi is not in a position to independently verify the precision and truthfulness thereof and has not verified it, in effect.

(i) Operating Results (millions of yen)

Accounting Period	First Quarter of 64th Business Period (From April 1, 2009 to June 30, 2009)
Revenues	34,116
Cost of sales	26,644
Selling, general and administrative expenses	8,274

Non-operating income	454
Non-operating expenses	290
Net income (loss)	(878)

Note: Net sales exclude consumption tax, etc.

(ii) Data per Share (yen)

Accounting Period	First Quarter of 64th Business Period (From April 1, 2009 to June 30, 2009)
Net income (loss) per share	(9.14)
Dividend per share	—
Net assets per share	1,701.63

2) Today Hitachi Maxell publicly announced the revised forecast of the year-end dividend, at the Tokyo Stock Exchange and the Osaka Securities Exchange. A summary of Hitachi Maxell's announcement is provided below. The summary of this disclosed information is an excerpt of the announcement released by Hitachi Maxell, and Hitachi is not in a position to independently verify the precision and truthfulness thereof and has not verified it, in effect.

(i) Reason of revision

According to Hitachi Maxell, Hitachi Maxell revised the forecast of the year-end dividend to be undetermined because the previous forecast may be changed due to today's announcement relating to the tender offer for the shares of Hitachi Maxell by Hitachi, etc.

(ii) Content of revision

Record Date	Cash Dividend per share (yen)		
	Second Quarter of 64 th Business Period	End-of-term	Annual
Last Forecast announced April 27, 2009	10	10	20
Revision to outlook this time	10	Undetermined	Undetermined
Record	—	—	—
FY2008	10	10	20

Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investments in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors which Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, the Electronic Devices segment and the Digital Media & Consumer Products segment;
- increased commoditization of information technology products and digital media related products and intensifying price competition for such products, particularly in the Information & Telecommunication Systems segment, the Electronic Devices segment and the Digital Media & Consumer Products segment;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation, particularly in the Information & Telecommunication Systems segment, the Electronic Devices segment and the Digital Media & Consumer Products segment;
- exchange rate fluctuation for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rate and/or price of raw materials;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports, or differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing; and

- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

Other Cautionary Matters

- In accordance with the provisions of Article 167, Paragraph 3 of the Financial Instruments and Exchange Law and Article 30 of its Enforcement Regulations, anyone having read this news release is considered a primary recipient of information from the viewpoint of insider trading regulations. Hitachi accordingly urges you to exercise due care as you may be prohibited from purchasing the shares of Hitachi Maxell before 12 hours have passed from the time of this announcement. If you are held liable under criminal, civil, or administrative laws for making such a prohibited purchase, Hitachi notes that it will assume no responsibility whatsoever.
- This news release is to announce the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Explanatory Document for the Tender Offer and make their own decision. This news release does not constitute, nor form part of, any offer or invitation to buy, sell, exchange or otherwise dispose of, or issue, or any solicitation of any offer to sell or issue, exchange or otherwise dispose of, buy or subscribe for, any securities. In addition, this news release does not constitute, or form part of, any offer or invitation to sell, or any solicitation of any offer to purchase any securities in any jurisdiction, nor shall it (or any part of it) or the fact of its distribution form the basis of or be relied on in connection with any agreement thereof.
- The Tender Offer is targeted at the common stock of Hitachi Maxell, a company incorporated in Japan. The Tender Offer is to be conducted in compliance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Law of Japan. These procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, Section 13(e) and Section 14(d) of the U.S. Securities and Exchange Act of 1934 and the regulations stipulated thereunder are not applicable to the Tender Offer and the Tender Offer does not conform to those procedures and standards. Not all financial information included in this news release is in conformity with the U.S. GAAP. Further, as the Hitachi is a company incorporated outside the U.S. and most officers of the Hitachi are residents outside the U.S., it may be impossible to exercise rights and claims that may be asserted under the securities-related laws of the U.S. There is also a chance that it may be difficult to institute proceedings in a court outside the U.S. against a company outside the U.S. or its officers based on a violation of the securities-related laws of the U.S. Additionally, there is no guarantee that it would be possible to make a company outside the U.S. and its subsidiary or affiliate subject to the jurisdiction of a U.S. court.
- Some countries or regions may impose restrictions on the announcement, issue or distribution of this news release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, even upon receiving this news release, such receipt shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.

###