

HITACHI LTD
Form 6-K
February 15, 2006
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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

**PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of February 2006

Commission File Number 1-8320

Hitachi, Ltd.

(Translation of registrant's name into English)

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280, Japan

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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This report on Form 6-K contains the following:

1. Press release dated February 3, 2006 regarding consolidated financial results for the third quarter ended December 31, 2005.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Hitachi, Ltd.

(Registrant)

Date: February 13, 2006

By /s/ Takashi Hatchoji

Takashi Hatchoji
Senior Vice President and Executive Officer

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FOR IMMEDIATE RELEASE

HITACHI ANNOUNCES CONSOLIDATED FINANCIAL RESULTS
FOR THE THIRD QUARTER ENDED DECEMBER 31, 2005

Tokyo, February 3, 2006 Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced its consolidated financial results for the third quarter of fiscal 2005, ended December 31, 2005.

- Notes: 1. All figures, except for the outlook for fiscal 2005, were converted at the rate of 118 yen to the U.S. dollar, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2005.
 2. Segment information and operating income (loss) are presented in accordance with financial reporting principles and practices generally accepted in Japan.

1. Business Results for the Three Months Ended December 31, 2005**(1) Summary of Fiscal 2005 Third Quarter Consolidated Business Results**

| | Three months ended December 31, 2005 | | |
|---|--------------------------------------|----------------------------|-----------------------------|
| | Billions of yen | Year-over-year % change | Millions of U.S. dollars |
| Revenues | 2,258.8 | 6% | 19,143 |
| Operating income | 39.1 | 14% | 332 |
| Income before income taxes and minority interests | 59.6 | (16%) | 506 |
| Income before minority interests | 24.2 | (33%) | 205 |
| Net income | 5.4 | (79%) | 47 |

During the third quarter, the world economy was strong overall, despite the effect of much higher prices worldwide for crude oil and other raw materials. The healthy world economy reflected strength in the U.S. economy, which was underpinned by consumer spending and plant and equipment investment, the continuation of robust economic growth in China and recovery in European economies.

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In Japan, the economy remained generally healthy, with higher corporate earnings fueling growth in plant and equipment investment. The Japanese economy was also supported by moderate growth in consumer spending.

In these circumstances, Hitachi's consolidated revenues increased 6%, to 2,258.8 billion yen. This was due to higher year-on-year revenues in a number of segments. Higher revenues were posted by the Information & Telecommunication Systems segment, which continues to see sales grow; the Power & Industrial Systems segment, which turned in a strong performance due to rebounding private-sector plant and equipment investment; the Digital Media & Consumer Products segment, thanks to higher sales of flat-panel TVs and other products; and the High Functional Materials & Components segment, mainly due to growth in sales of components and materials for electronics-related fields.

Overseas revenues rose 16%, to 947.3 billion yen due mainly to higher year-on-year sales in the Power & Industrial Systems, Digital Media & Consumer Products and High Functional Materials & Components segments. As a result, the ratio of overseas revenues to consolidated revenues rose by 4 percentage points to 42%.

Operating income rose 14% year on year, to 39.1 billion yen on higher earnings mainly in the Electronic Devices, Power & Industrial Systems and High Functional Materials & Components segments.

Other income dropped 39%, to 29.8 billion yen due to less year on year earnings from net gain on securities. Other deductions declined 26%, to 9.3 billion yen.

As a result, Hitachi recorded income before income taxes and minority interests of 59.6 billion yen, down 16% year on year. After income taxes of 35.4 billion yen, Hitachi posted income before minority interests of 24.2 billion yen. Net income was 5.4 billion yen, a 79% drop from the third quarter of fiscal 2004.

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(2) Revenues and Operating Income (Loss) by Segment

Results by segment were as follows.

[Information & Telecommunication Systems]

| | Three months ended December 31, 2005 | | |
|------------------|---|-----------------------|---------------------|
| | Billions of | Year-over-year | Millions of |
| | yen | % change | U.S. dollars |
| Revenues | 511.3 | 6% | 4,334 |
| Operating income | 0.5 | (75%) | 5 |

Information & Telecommunication Systems revenues increased 6%, to 511.3 billion yen. This was attributable to firm sales by software and outsourcing businesses in software and services, and year-on-year growth in hardware revenues on higher sales of disk array subsystems and other products.

Operating income fell 75%, to 0.5 billion yen, despite healthy growth in earnings in services and a solid performance in disk array subsystems and other areas. Losses in HDD and PC operations brought down earnings. Another reason for the earnings decline is an effect of the return of the Substitutional Portion of Employee Pension Fund Liabilities booked by a subsidiary in the same period of the previous fiscal year.

Note: HDD operations are conducted by Hitachi Global Storage Technologies (Hitachi GST), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the third quarter ended December 31, 2005 include operating results of Hitachi GST for the three-month period from July through September 2005.

[Electronic Devices]

| | Three months ended December 31, 2005 | | |
|----------|---|-----------------------|---------------------|
| | Billions of | Year-over-year | Millions of |
| | yen | % change | U.S. dollars |
| Revenues | 296.6 | (1%) | 2,514 |

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| | | | |
|------------------|-----|------|----|
| Operating income | 6.5 | 186% | 55 |
|------------------|-----|------|----|

Electronic Devices revenues were 296.6 billion yen, on a par with the previous fiscal year. Hitachi High-Technologies Corporation performed well on higher sales of LCD manufacturing equipment. Growth was also recorded in sales of displays, particularly small and medium-sized LCDs.

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Operating income climbed 186% year on year, to 6.5 billion yen, due to a smaller loss in the display business.

[Power & Industrial Systems]

| | Three months ended December 31, 2005 | | |
|------------------|---|-----------------------|---------------------|
| | Billions of | Year-over-year | Millions of |
| | yen | % change | U.S. dollars |
| Revenues | 605.7 | 8% | 5,134 |
| Operating income | 12.9 | 117% | 110 |

Power & Industrial Systems revenues rose 8%, to 605.7 billion yen. In addition to growth in sales at Hitachi Construction Machinery Co., Ltd., mainly outside Japan, this increase reflected healthy sales of air-conditioning systems and industrial machinery thanks to recovering private-sector plant and equipment investment. Sales of automotive systems products also posted healthy growth.

The segment posted a 117% increase in operating income, to 12.9 billion yen due to higher earnings at Hitachi Construction Machinery, as well as in industrial machinery and other businesses.

[Digital Media & Consumer Products]

| | Three months ended December 31, 2005 | | |
|----------------|---|-----------------------|---------------------|
| | Billions of | Year-over-year | Millions of |
| | Yen | % change | U.S. dollars |
| Revenues | 362.3 | 11% | 3,071 |
| Operating loss | (5.8) | | (49) |

Digital Media & Consumer Products revenues increased 11%, to 362.3 billion yen due to growth in sales of plasma TVs and other digital media products and higher sales at Hitachi Maxell, Ltd.

The segment posted an operating loss of 5.8 billion yen due to an operating loss at Fujitsu Hitachi Plasma Display Limited, which became a subsidiary in April 2005.

[High Functional Materials & Components]

| | Three months ended December 31, 2005 | | |
|------------------|--------------------------------------|----------------|--------------|
| | Billions of | Year-over-year | Millions of |
| | yen | % change | U.S. dollars |
| Revenues | 414.2 | 9% | 3,511 |
| Operating income | 30.9 | 40% | 262 |

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Revenues rose 9%, to 414.2 billion yen due to strong growth in sales at Hitachi Chemical Co., Ltd. and Hitachi Metals, Ltd., principally in the electronics-related and automotive fields. Hitachi Cable, Ltd. also recorded sales growth.

Operating income rose 40%, to 30.9 billion yen due to strong earnings at Hitachi Chemical, Hitachi Metals and Hitachi Cable.

[Logistics, Services & Others]

| | Three months ended December 31, 2005 | | |
|------------------|---|-----------------------|---------------------|
| | Billions of | Year-over-year | Millions of |
| | yen | % change | U.S. dollars |
| Revenues | 317.1 | 2% | 2,688 |
| Operating income | 1.1 | (54%) | 9 |

In Logistics, Services & Others, revenues edged up 2%, to 317.1 billion yen due in part to higher sales at Hitachi Transport System, Ltd.

The segment posted operating income of 1.1 billion yen, 54% lower year on year, mainly due to lower product prices, principally at overseas sales companies.

[Financial Services]

| | Three months ended December 31, 2005 | | |
|------------------|---|-----------------------|---------------------|
| | Billions of | Year-over-year | Millions of |
| | yen | % change | U.S. dollars |
| Revenues | 126.8 | (3%) | 1,075 |
| Operating income | 9.6 | 20% | 82 |

Segment revenues declined 3%, to 126.8 billion yen. However, operating income rose 20%, to 9.6 billion yen.

(3) Revenues by Market

| | Three months ended December 31, 2005 | | |
|---------------|---|-----------------------|---------------------|
| | Billions of | Year-over-year | Millions of |
| | yen | % change | U.S. dollars |
| | <hr/> | <hr/> | <hr/> |
| Japan | 1,311.4 | 0% | 11,114 |
| Overseas | 947.3 | 16% | 8,029 |
| Asia | 408.2 | 20% | 3,460 |
| North America | 255.5 | 7% | 2,166 |
| Europe | 197.2 | 11% | 1,672 |
| Other Areas | 86.2 | 45% | 731 |

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Revenues in Japan were 1,311.4 billion yen, on a par with the previous fiscal year.

Overseas revenues rose 16%, to 947.3 billion yen due mainly to higher sales of flat-panel TVs, materials for electronics-related products and higher sales at Hitachi Construction Machinery.

As a result, the ratio of overseas revenues to consolidated revenues rose by 4 percentage points to 42%.

(4) Financial Position

| | As of December 31, 2005 | | |
|--|-------------------------|-----------------------------------|-----------------------------|
| | Billions of yen | Change from September 30, 2005 | Millions of U.S. dollars |
| Total assets | 10,111.3 | 221.7 | 85,690 |
| Total liabilities | 6,775.1 | 177.2 | 57,417 |
| Debt | 2,698.4 | 95.9 | 22,868 |
| Minority interests | 984.9 | 29.0 | 8,347 |
| Stockholders' equity | 2,351.2 | 15.3 | 19,926 |
| Stockholders' equity ratio | 23.3% | 0.3 point deterioration | |
| D/E ratio (including minority interests) | 0.81 times | 0.02 point deterioration | |

Total assets as of December 31, 2005 were 10,111.3 billion yen, 221.7 billion yen more than at September 30, 2005 due to increase of inventories and other factors. Debt increased 95.9 billion yen over the same period to 2,698.4 billion yen. Stockholders' equity rose 15.3 billion yen, to 2,351.2 billion yen. As a result, the stockholders' equity ratio fell 0.3 of a percentage point to 23.3%. The debt-to-equity ratio (including minority interests) was 0.81 times due to the increase in debt.

(5) Cash Flows

| Three months ended December 31, 2005 | | |
|--------------------------------------|--------------------------|-----------------------------|
| Billions of yen | Year-over-year change | Millions of U.S. dollars |

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| | | | |
|--------------------------------------|---------|--------|---------|
| Cash flows from operating activities | (4.5) | 40.6 | (38) |
| Cash flows from investing activities | (135.0) | 26.1 | (1,145) |
| Free cash flows | (139.6) | 66.7 | (1,183) |
| Cash flows from financing activities | 43.6 | (80.3) | 370 |

Operating activities used net cash of 4.5 billion yen, a decrease of 40.6 billion yen from the same period a year ago.

Investing activities used net cash of 135.0 billion yen, 26.1 billion yen less than the same period a year ago due to efforts to collect investments in leases earlier and other factors.

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Free cash flows, the sum of cash flows from operating and investing activities, were an outflow of 139.6 billion yen, 66.7 billion yen less than the same period a year ago.

Financing activities provided net cash of 43.6 billion yen, 80.3 billion yen less than in the same period a year ago, reflecting factors such as a year-on-year decline in issues of corporate debentures.

2. Business Results for the Nine Months Ended December 31, 2005**(1) Summary, Revenues and Operating Income by Segment****Summary**

| | Nine months ended December 31, 2005 | | |
|---|-------------------------------------|----------------------------|-----------------------------|
| | Billions of yen | Year-over-year % change | Millions of U.S. dollars |
| Revenues | 6,672.1 | 3% | 56,544 |
| Operating income | 116.8 | (28%) | 991 |
| Income before income taxes and minority interests | 141.7 | (31%) | 1,201 |
| Income before minority interests | 45.3 | (56%) | 385 |
| Net loss | (5.4) | | (46) |

Revenues by Segment

| | Nine months ended December 31, 2005 | | |
|---|-------------------------------------|----------------------------|-----------------------------|
| | Billions of yen | Year-over-year % change | Millions of U.S. dollars |
| Revenues | 6,672.1 | 3% | 56,544 |
| Information & Telecommunication Systems | 1,568.5 | 1% | 13,293 |
| Electronic Devices | 879.7 | (11%) | 7,456 |
| Power & Industrial Systems | 1,884.6 | 12% | 15,972 |
| Digital Media & Consumer Products | 974.2 | 0% | 8,256 |

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| | | | |
|--|-----------|------|---------|
| High Functional Materials & Components | 1,174.7 | 5% | 9,956 |
| Logistics, Services & Others | 887.6 | (4%) | 7,523 |
| Financial Services | 387.7 | (3%) | 3,286 |
| Subtotal | 7,757.5 | 2% | 65,742 |
| Eliminations & Corporate Items | (1,085.3) | | (9,198) |

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Operating Income (Loss) by Segment

| | Nine months ended December 31, 2005 | | |
|---|-------------------------------------|----------------------------|-----------------------------|
| | Billions of yen | Year-over-year % change | Millions of U.S. dollars |
| Operating Income (Loss) | 116.8 | (28%) | 991 |
| Information & Telecommunication Systems | 23.7 | (24%) | 202 |
| Electronic Devices | 15.7 | (51%) | 133 |
| Power & Industrial Systems | 36.1 | 125% | 307 |
| Digital Media & Consumer Products | (22.0) | | (187) |
| High Functional Materials & Components | 78.9 | 27% | 669 |
| Logistics, Services & Others | 8.0 | (20%) | 68 |
| Financial Services | 25.6 | 42% | 218 |
| Subtotal | 166.3 | (7%) | 1,410 |
| Eliminations & Corporate Items | (49.4) | | (419) |

The world economy in the nine months to December 31, 2005, a period including the third quarter of fiscal 2005, posted strong growth due to robust economic expansion in the U.S. and China as well as an economic recovery in Europe. This was despite the negative impact of sharply higher raw materials prices and other factors.

The Japanese economy posted healthy growth due to such factors as higher plant and equipment investment and consumer spending.

In these circumstances, Hitachi's consolidated revenues for the nine months to December 31, 2005 increased 3%, to 6,672.1 billion yen. The Power & Industrial Systems segment posted higher revenues on the back of recovering private-sector plant and equipment investment, as did the High Functional Materials & Components segment, mainly due to growth in sales of components and materials for electronics- and automotive-related fields.

Operating income declined 28%, to 116.8 billion yen due to lower earnings in the Information & Telecommunication Systems and Electronic Devices segments as well as an operating loss in the Digital Media & Consumer Products segment. On the other hand, the Power & Industrial Systems, High Functional Materials & Components and Financial Services segments recorded higher operating income.

Other income was 56.8 billion yen, down 29% on the same period a year ago, the result mainly of lower earnings from net gain on securities. Other deductions decreased 9%, to 31.9 billion yen.

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As a result, Hitachi recorded income before income taxes and minority interests of 141.7 billion yen, down 31% year on year. After income taxes of 96.3 billion yen, Hitachi posted income before minority interests of 45.3 billion yen. Hitachi posted a net loss of 5.4 billion yen, compared with net income of 67.8 billion yen in the same period a year ago.

(2) Revenues by Market

| | Nine months ended December 31, 2005 | | |
|---------------|-------------------------------------|----------------------------|-----------------------------|
| | Billions of yen | Year-over-year % change | Millions of U.S. dollars |
| Japan | 4,052.7 | 1% | 34,345 |
| Overseas | 2,619.4 | 8% | 22,199 |
| Asia | 1,134.9 | 10% | 9,618 |
| North America | 710.7 | 4% | 6,024 |
| Europe | 537.4 | 2% | 4,555 |
| Other Areas | 236.2 | 20% | 2,002 |

Revenues in Japan were 4,052.7 billion yen, on a par with the same period a year ago.

Overseas revenues increased 8%, to 2,619.4 billion yen due to growth in sales at Hitachi Construction Machinery, particularly in Europe and the U.S., as well as higher sales of HDDs and electronics-related components and materials, particularly in China.

As a result, the ratio of overseas revenues to consolidated revenues rose by 1 percentage point to 39%.

(3) Cash Flows

| | Nine months ended December 31, 2005 | | |
|--------------------------------------|-------------------------------------|--------------------------|-----------------------------|
| | Billions of yen | Year-over-year Change | Millions of U.S. dollars |
| Cash flows from operating activities | 216.5 | 111.2 | 1,835 |
| Cash flows from investing activities | (390.5) | (35.7) | (3,310) |

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| | | | |
|--------------------------------------|---------|-------|---------|
| Free cash flows | (174.0) | 75.5 | (1,475) |
| Cash flows from financing activities | 5.8 | (6.8) | 50 |

Operating activities provided net cash of 216.5 billion yen, 111.2 billion yen more than in the same period a year ago.

Investing activities used net cash of 390.5 billion yen, an increase of 35.7 billion yen. This was the result mainly of an increase in capital investments.

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Free cash flows, the sum of cash flows from operating and investing activities, were an outflow of 174.0 billion yen, 75.5 billion yen less than the same period a year ago.

Financing activities provided net cash of 5.8 billion yen, 6.8 billion yen less than the same period a year ago.

Cash and cash equivalents as of December 31, 2005 amounted to 557.4 billion yen, a decrease of 151.2 billion yen during the nine-month period, which includes the third quarter.

3. Outlook for Fiscal 2005**Consolidated**

| | Fiscal 2005, ending March 31, 2006 | |
|---|---|-----------------------|
| | Billions of | Year-over-year |
| | yen | % change |
| Revenues | 9,220.0 | 2% |
| Operating income | 240.0 | (14%) |
| Income before income taxes and minority interests | 220.0 | (17%) |
| Income before minority interests | 95.0 | (17%) |
| Net income | 20.0 | (61%) |

Regarding trends in the world economy, Hitachi expects the U.S. economy to remain firm, supported by consumer spending and plant and equipment investment. In Asia, Hitachi expects that domestic demand will continue to support brisk economic growth in China. European economies, meanwhile, are forecasted to continue their moderate pace of recovery. Overall, therefore, the global economy is expected to continue expanding.

The forecast for the Japanese economy is firm growth, underpinned by continuing strength in exports to China and elsewhere in Asia and by rising consumer spending. There are, however, some concerns, such as the possibility of an upturn in long-term interest rates.

Under these circumstances, Hitachi is forecasting results shown above for fiscal 2005, the same as projections announced on October 31, 2005.

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Hitachi will continue to make aggressive investments in targeted businesses while constantly executing business structural reforms. In this way, Hitachi will reinforce measures to become more competitive on a consolidated basis.

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In particular, Hitachi will push forward with ongoing initiatives to improve the HDD, LCD and flat-panel TV businesses quickly.

In other fields, Hitachi will implement sweeping measures to achieve growth, particularly targeted businesses. For example, Hitachi will transfer parts of its Industrial Systems Group to Hitachi Plant Engineering & Construction Co., Ltd. on April 1, 2006. At the same time, Hitachi Plant Engineering & Construction, Hitachi Kiden Kogyo, Ltd. and Hitachi Industries Co., Ltd. will merge. In another move, Hitachi plans to make Hitachi Mobile Co., Ltd. a wholly owned subsidiary on April 1, 2006 with the aim of strengthening Hitachi's automotive systems business.

The projections assume a fourth-quarter exchange rate of 115 yen to the U.S. dollar.

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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:

- fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and 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 change, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- increasing commoditization of information technology products, and intensifying price competition in the market for such products, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment;
- fluctuations in rates of exchange for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly between the yen and the U.S. dollar;
- uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi's major markets, particularly, the United States, Japan and elsewhere in Asia, including, without limitation, a return to stagnation or deterioration of the Japanese economy, or direct or indirect restriction by other nations on imports;
- uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;

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- 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.

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HITACHI, LTD. AND SUBSIDIARIES**CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THIRD QUARTER ENDED DECEMBER 31, 2005**

The consolidated financial statements presented herein are expressed in yen and, solely for the convenience of the reader, have been translated into United States dollars at the rate of 118 yen = U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of December 30, 2005.

SUMMARY

In millions of yen and U.S. dollars, except Net income (loss) per share (6) and Net income (loss) per American Depositary Share (7).

| | Three months ended December 31 | | | | Nine months ended December 31 | | | |
|---|--------------------------------|-----------|----------|------------|-------------------------------|-----------|----------|------------|
| | Yen | | (A)/(B) | U.S. \$ | Yen | | (C)/(D) | U.S. \$ |
| | (millions) | | | (millions) | (millions) | | | (millions) |
| | 2005 (A) | 2004 (B) | X100 (%) | 2005 | 2005 (C) | 2004 (D) | X100 (%) | 2005 |
| 1. Revenues | 2,258,819 | 2,123,788 | 106 | 19,143 | 6,672,138 | 6,453,723 | 103 | 56,544 |
| 2. Operating income | 39,138 | 34,369 | 114 | 332 | 116,892 | 161,701 | 72 | 991 |
| 3. Income before income taxes and minority interests | 59,652 | 70,911 | 84 | 506 | 141,769 | 206,912 | 69 | 1,201 |
| 4. Income before minority interests | 24,201 | 35,913 | 67 | 205 | 45,373 | 103,844 | 44 | 385 |
| 5. Net income (loss) | 5,493 | 26,644 | 21 | 47 | (5,453) | 67,802 | | (46) |
| 6. Net income (loss) per share | | | | | | | | |
| Basic | 1.65 | 7.99 | 21 | 0.01 | (1.64) | 20.47 | | (0.01) |
| Diluted | 1.64 | 7.55 | 22 | 0.01 | (1.65) | 19.98 | | (0.01) |
| 7. Net income (loss) per ADS (representing 10 shares) | | | | | | | | |
| Basic | 16 | 80 | 20 | 0.14 | (16) | 205 | | (0.14) |
| Diluted | 16 | 76 | 21 | 0.14 | (16) | 200 | | (0.14) |

Notes: 1. The Company's consolidated financial statements are prepared based on U.S. GAAPs and are unaudited.
2. Segment Information and operating income (loss) are presented in accordance with financial reporting principles and practices generally accepted in Japan.

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3. The figures are for 949 consolidated subsidiaries, including Variable Interest Entities, and 155 equity-method affiliates.

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CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

| | Three months ended December 31 | | | |
|---|---------------------------------------|-----------------|---------------------|---------------------|
| | Yen | | (A)/(B) | U.S. Dollars |
| | (millions) | | | (millions) |
| | 2005 (A) | 2004 (B) | X100 (%) | 2005 |
| Revenues | 2,258,819 | 2,123,788 | 106 | 19,143 |
| Cost of sales | 1,754,851 | 1,642,910 | 107 | 14,872 |
| Selling, general and administrative expenses | 464,830 | 446,509 | 104 | 3,939 |
| Operating income | 39,138 | 34,369 | 114 | 332 |
| Other income | 29,890 | 49,162 | 61 | 253 |
| (Interest and dividends) | 5,670 | 3,942 | 144 | 48 |
| (Other) | 24,220 | 45,220 | 54 | 205 |
| Other deductions | 9,376 | 12,620 | 74 | 79 |
| (Interest charges) | 8,667 | 7,103 | 122 | 73 |
| (Other) | 709 | 5,517 | 13 | 6 |
| Income before income taxes and minority interests | 59,652 | 70,911 | 84 | 506 |
| Income taxes | 35,451 | 34,998 | 101 | 301 |
| Income before minority interests | 24,201 | 35,913 | 67 | 205 |
| Minority interests | 18,708 | 9,269 | 202 | 158 |
| Net income | 5,493 | 26,644 | 21 | 47 |

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CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

| | Nine months ended December 31 | | | |
|---|-------------------------------|-----------|-------------|--------------|
| | Yen | | (C)/(D) | U.S. Dollars |
| | (millions) | | | (millions) |
| | 2005 (C) | 2004 (D) | X100 (%) | 2005 |
| Revenues | 6,672,138 | 6,453,723 | 103 | 56,544 |
| Cost of sales | 5,194,754 | 4,966,988 | 105 | 44,023 |
| Selling, general and administrative expenses | 1,360,492 | 1,325,034 | 103 | 11,530 |
| Operating income | 116,892 | 161,701 | 72 | 991 |
| Other income | 56,822 | 80,483 | 71 | 481 |
| (Interest and dividends) | 17,059 | 14,077 | 121 | 144 |
| (Other) | 39,763 | 66,406 | 60 | 337 |
| Other deductions | 31,945 | 35,272 | 91 | 271 |
| (Interest charges) | 24,340 | 21,338 | 114 | 206 |
| (Other) | 7,605 | 13,934 | 55 | 65 |
| Income before income taxes and minority interests | 141,769 | 206,912 | 69 | 1,201 |
| Income taxes | 96,396 | 103,068 | 94 | 816 |
| Income before minority interests | 45,373 | 103,844 | 44 | 385 |
| Minority interests | 50,826 | 36,042 | 141 | 431 |
| Net income (loss) | (5,453) | 67,802 | | (46) |

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CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| | Yen | | | U.S. Dollars | |
|--|----------------------------|----------------------------|-----------|------------------------|------------------------|
| | (millions) | | | (millions) | |
| | As of Dec. 31, 2005 (A) | As of Sep. 30, 2005 (B) | (A) - (B) | As of Mar. 31, 2005 | As of Dec. 31, 2005 |
| Assets | 10,111,383 | 9,889,628 | 221,755 | 9,736,247 | 85,690 |
| Current assets | 5,559,041 | 5,394,875 | 164,166 | 5,338,835 | 47,110 |
| Cash and cash equivalents | 557,461 | 646,085 | (88,624) | 708,715 | 4,724 |
| Short-term investments | 184,917 | 180,472 | 4,445 | 146,568 | 1,567 |
| Trade receivables (Notes and Accounts) | 2,217,508 | 2,178,106 | 39,402 | 2,197,766 | 18,792 |
| Investments in leases | 480,826 | 496,693 | (15,867) | 526,759 | 4,075 |
| Inventories | 1,517,215 | 1,329,110 | 188,105 | 1,198,955 | 12,858 |
| Other current assets | 601,114 | 564,409 | 36,705 | 560,072 | 5,094 |
| Investments and advances | 1,005,209 | 970,789 | 34,420 | 894,851 | 8,519 |
| Property, plant and equipment | 2,428,423 | 2,400,050 | 28,373 | 2,357,931 | 20,580 |
| Other assets | 1,118,710 | 1,123,914 | (5,204) | 1,144,630 | 9,481 |
| Liabilities, Minority interests and Stockholders equity | 10,111,383 | 9,889,628 | 221,755 | 9,736,247 | 85,690 |
| Current liabilities | 4,258,990 | 4,110,892 | 148,098 | 4,064,546 | 36,093 |
| Short-term debt and current installments of long-term debt | 1,285,091 | 1,213,149 | 71,942 | 1,183,474 | 10,890 |
| Trade payables (Notes and Accounts) | 1,357,205 | 1,290,177 | 67,028 | 1,309,256 | 11,502 |
| Other current liabilities | 1,616,694 | 1,607,566 | 9,128 | 1,571,816 | 13,701 |
| Noncurrent liabilities | 2,516,174 | 2,486,989 | 29,185 | 2,442,818 | 21,324 |
| Long-term debt | 1,413,381 | 1,389,392 | 23,989 | 1,319,032 | 11,978 |
| Other liabilities | 1,102,793 | 1,097,597 | 5,196 | 1,123,786 | 9,346 |
| Minority interests | 984,956 | 955,871 | 29,085 | 921,052 | 8,347 |
| Stockholders equity | 2,351,263 | 2,335,876 | 15,387 | 2,307,831 | 19,926 |
| Common stock | 282,033 | 282,033 | 0 | 282,033 | 2,390 |
| Capital surplus | 560,292 | 562,635 | (2,343) | 565,360 | 4,748 |
| Legal reserve and retained earnings | 1,735,595 | 1,748,717 | (13,122) | 1,779,198 | 14,709 |
| Accumulated other comprehensive loss | (208,866) | (239,991) | 31,125 | (301,524) | (1,770) |
| (Foreign currency translation adjustments) | (57,171) | (69,637) | 12,466 | (90,904) | (484) |
| (Minimum pension liability adjustments) | (236,123) | (237,662) | 1,539 | (242,672) | (2,001) |
| (Net unrealized holding gain on available-for-sale securities) | 85,223 | 67,589 | 17,634 | 32,996 | 722 |
| (Cash flow hedges) | (795) | (281) | (514) | (944) | (7) |

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Treasury stock

| | | | | |
|-----------------|-----------------|--------------|-----------------|--------------|
| <u>(17,791)</u> | <u>(17,518)</u> | <u>(273)</u> | <u>(17,236)</u> | <u>(151)</u> |
|-----------------|-----------------|--------------|-----------------|--------------|

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

| | Three months ended December 31 | | |
|--|---------------------------------------|-------------------|---------------------|
| | Yen | | U.S. Dollars |
| | (millions) | (millions) | (millions) |
| | 2005 | 2004 | 2005 |
| Cash flows from operating activities | | | |
| Net income | 5,493 | 26,644 | 47 |
| Adjustments to reconcile net income to net cash used in operating activities | | | |
| Depreciation | 115,118 | 111,154 | 976 |
| Increase in receivables and inventories | (188,317) | (98,665) | (1,596) |
| Increase (decrease) in payables | 49,360 | (11,696) | 418 |
| Other | 13,793 | (72,684) | 117 |
| Net cash used in operating activities | (4,553) | (45,247) | (38) |
| Cash flows from investing activities | | | |
| Increase in short-term investments | (3,787) | (36,957) | (32) |
| Purchase of rental assets and other properties, net | (192,649) | (183,999) | (1,633) |
| Proceeds from sale of investments and subsidiaries common stock, net | (30,573) | 40,189 | (259) |
| Collection of investment in leases | 106,079 | 60,795 | 899 |
| Other | (14,138) | (41,196) | (120) |
| Net cash used in investing activities | (135,068) | (161,168) | (1,145) |
| Cash flows from financing activities | | | |
| Increase in interest-bearing debt | 68,209 | 157,164 | 578 |
| Dividends paid to stockholders | (17,114) | (16,957) | (145) |
| Dividends paid to minority stockholders of subsidiaries | (7,331) | (7,530) | (62) |
| Other | (128) | (8,649) | (1) |
| Net cash provided by financing activities | 43,636 | 124,028 | 370 |
| Effect of exchange rate changes on cash and cash equivalents | 7,361 | (5,553) | 62 |
| Net decrease in cash and cash equivalents | (88,624) | (87,940) | (751) |
| Cash and cash equivalents at beginning of the period | 646,085 | 619,049 | 5,475 |
| Cash and cash equivalents at end of the period | 557,461 | 531,109 | 4,724 |

Note: Cash flows related to inventory-related receivables, which were previously included in cash flows from investing activities, are now included in cash flows from operating activities. As a result of this change, cash flows for the three months ended December 31, 2004 have been reclassified.

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

| | Nine months ended December 31 | | |
|---|-------------------------------|------------|--------------|
| | Yen | | U.S. Dollars |
| | (millions) | (millions) | (millions) |
| | 2005 | 2004 | 2005 |
| Cash flows from operating activities | | | |
| Net income (loss) | (5,453) | 67,802 | (46) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities | | | |
| Depreciation | 333,717 | 317,425 | 2,828 |
| Increase in receivables and inventories | (202,463) | (105,906) | (1,716) |
| Decrease in payables | (8,152) | (95,668) | (69) |
| Other | 98,903 | (78,400) | 838 |
| Net cash provided by operating activities | 216,552 | 105,253 | 1,835 |
| Cash flows from investing activities | | | |
| Increase in short-term investments | (29,073) | (6,816) | (246) |
| Purchase of rental assets and other properties, net | (567,635) | (560,407) | (4,811) |
| Proceeds from sale of investments and subsidiaries common stock, net | 19,815 | 65,411 | 168 |
| Collection of investment in leases | 305,310 | 229,781 | 2,587 |
| Other | (118,977) | (82,748) | (1,008) |
| Net cash used in investing activities | (390,560) | (354,779) | (3,310) |
| Cash flows from financing activities | | | |
| Increase in interest-bearing debt | 61,993 | 63,038 | 525 |
| Dividends paid to stockholders | (35,361) | (33,363) | (300) |
| Dividends paid to minority stockholders of subsidiaries | (16,415) | (15,665) | (139) |
| Other | (4,322) | (1,220) | (36) |
| Net cash provided by financing activities | 5,895 | 12,790 | 50 |
| Effect of exchange rate changes on cash and cash equivalents | 16,859 | 3,449 | 143 |
| Net decrease in cash and cash equivalents | (151,254) | (233,287) | (1,282) |
| Cash and cash equivalents at beginning of the period | 708,715 | 764,396 | 6,006 |
| Cash and cash equivalents at end of the period | 557,461 | 531,109 | 4,724 |

Note: Cash flows related to inventory-related receivables, which were previously included in cash flows from investing activities,

are now included in cash flows from operating activities. As a result of this change, cash flows for the nine months ended December 31, 2004 have been reclassified.

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SEGMENT INFORMATION (UNAUDITED)**INDUSTRY SEGMENTS**

| | Three months ended December 31 | | | |
|---|--------------------------------|------------------|-----------------|----------------------------|
| | Yen | | (A)/(B) X100 | U.S. Dollars (millions) |
| | (millions) | | | |
| | 2005 (A) | 2004 (B) | (%) | 2005 |
| Revenues | | | | |
| Information & Telecommunication Systems | 511,385 | 482,487 | 106 | 4,334 |
| | 19% | 19% | | |
| Electronic Devices | 296,617 | 300,238 | 99 | 2,514 |
| | 11% | 12% | | |
| Power & Industrial Systems | 605,790 | 560,067 | 108 | 5,134 |
| | 23% | 23% | | |
| Digital Media & Consumer Products | 362,391 | 325,389 | 111 | 3,071 |
| | 14% | 13% | | |
| High Functional Materials & Components | 414,299 | 379,518 | 109 | 3,511 |
| | 16% | 15% | | |
| Logistics, Services & Others | 317,140 | 312,179 | 102 | 2,688 |
| | 12% | 13% | | |
| Financial Services | 126,897 | 130,386 | 97 | 1,075 |
| | 5% | 5% | | |
| Subtotal | 2,634,519 | 2,490,264 | 106 | 22,327 |
| | 100% | 100% | | |
| Eliminations & Corporate items | (375,700) | (366,476) | | (3,184) |
| Total | 2,258,819 | 2,123,788 | 106 | 19,143 |
| Operating income (loss) | | | | |
| Information & Telecommunication Systems | 549 | 2,188 | 25 | 5 |
| | 1% | 5% | | |
| Electronic Devices | 6,513 | 2,278 | 286 | 55 |
| | 12% | 6% | | |
| Power & Industrial Systems | 12,961 | 5,978 | 217 | 110 |
| | 23% | 14% | | |
| Digital Media & Consumer Products | (5,810) | (1,790) | | (49) |
| | (10%) | (4%) | | |
| High Functional Materials & Components | 30,914 | 22,090 | 140 | 262 |
| | 55% | 54% | | |
| Logistics, Services & Others | | | 46 | 9 |

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| | | | | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 1,129 | 2,455 | | |
| | 2% | 6% | | |
| Financial Services | 9,668 | 8,049 | 120 | 82 |
| | 17% | 19% | | |
| Subtotal | 55,924 | 41,248 | 136 | 474 |
| | 100% | 100% | | |
| Eliminations & Corporate items | (16,786) | (6,879) | | (142) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | 39,138 | 34,369 | 114 | 332 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Note: Revenues by industry segment include intersegment transactions.

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SEGMENT INFORMATION (UNAUDITED)**INDUSTRY SEGMENTS**

| | Nine months ended December 31 | | | |
|---|-------------------------------|------------------|-----------------|----------------------------|
| | Yen | | (C)/(D) X100 | U.S. Dollars (millions) |
| | (millions) | | | |
| | 2005 (C) | 2004 (D) | (%) | 2005 |
| Revenues | | | | |
| Information & Telecommunication Systems | 1,568,583 | 1,554,223 | 101 | 13,293 |
| | 20% | 20% | | |
| Electronic Devices | 879,773 | 992,316 | 89 | 7,456 |
| | 11% | 13% | | |
| Power & Industrial Systems | 1,884,695 | 1,680,962 | 112 | 15,972 |
| | 24% | 22% | | |
| Digital Media & Consumer Products | 974,228 | 971,501 | 100 | 8,256 |
| | 13% | 13% | | |
| High Functional Materials & Components | 1,174,740 | 1,119,941 | 105 | 9,956 |
| | 15% | 15% | | |
| Logistics, Services & Others | 887,688 | 922,496 | 96 | 7,523 |
| | 12% | 12% | | |
| Financial Services | 387,793 | 401,164 | 97 | 3,286 |
| | 5% | 5% | | |
| Subtotal | 7,757,500 | 7,642,603 | 102 | 65,742 |
| | 100% | 100% | | |
| Eliminations & Corporate items | (1,085,362) | (1,188,880) | | (9,198) |
| Total | 6,672,138 | 6,453,723 | 103 | 56,544 |
| Operating income (loss) | | | | |
| Information & Telecommunication Systems | 23,797 | 31,149 | 76 | 202 |
| | 14% | 17% | | |
| Electronic Devices | 15,743 | 32,334 | 49 | 133 |
| | 9% | 18% | | |
| Power & Industrial Systems | 36,177 | 16,066 | 225 | 307 |
| | 22% | 9% | | |
| Digital Media & Consumer Products | (22,041) | 8,828 | | (187) |
| | (13%) | 5% | | |
| High Functional Materials & Components | 78,967 | 62,418 | 127 | 669 |
| | 48% | 35% | | |
| Logistics, Services & Others | | | 80 | 68 |

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| | | | | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 8,027 | 9,983 | | |
| | 5% | 6% | | |
| Financial Services | 25,687 | 18,037 | 142 | 218 |
| | 15% | 10% | | |
| Subtotal | 166,357 | 178,815 | 93 | 1,410 |
| | 100% | 100% | | |
| Eliminations & Corporate items | (49,465) | (17,114) | | (419) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | 116,892 | 161,701 | 72 | 991 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Note: Revenues by industry segment include intersegment transactions.

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SEGMENT INFORMATION (UNAUDITED)**REVENUES BY MARKET**

| | Three months ended December 31 | | | |
|---------------|---------------------------------------|---------------------------------|-------------------------|---------------------|
| | Yen | | (A)/(B) X100 | U.S. Dollars |
| | (millions) | | | (millions) |
| | 2005 (A) | 2004 (B) | (%) | 2005 |
| Japan | 1,311,451 58% | 1,307,976 62% | 100 | 11,114 |
| Asia | 408,283 18% | 339,510 16% | 120 | 3,460 |
| North America | 255,555 11% | 238,318 11% | 107 | 2,166 |
| Europe | 197,294 9% | 178,394 8% | 111 | 1,672 |
| Other Areas | 86,236 4% | 59,590 3% | 145 | 731 |
| Outside Japan | 947,368 42% | 815,812 38% | 116 | 8,029 |
| Total | 2,258,819 100% | 2,123,788 100% | 106 | 19,143 |

REVENUES BY MARKET

| | Nine months ended December 31 | | | |
|-------|--------------------------------------|------------------|-------------------------|---------------------|
| | Yen | | (C)/(D) X100 | U.S. Dollars |
| | (millions) | | | (millions) |
| | 2005 (C) | 2004 (D) | (%) | 2005 |
| Japan | 4,052,738 61% | 4,017,271 62% | 101 | 34,345 |

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| | | | | |
|---------------|-------------------|-------------------|-----|--------|
| Asia | 1,134,945 17% | 1,033,814 16% | 110 | 9,618 |
| North America | 710,793 11% | 680,849 11% | 104 | 6,024 |
| Europe | 537,458 8% | 524,681 8% | 102 | 4,555 |
| Other Areas | 236,204 3% | 197,108 3% | 120 | 2,002 |
| Outside Japan | 2,619,400 39% | 2,436,452 38% | 108 | 22,199 |
| Total | 6,672,138 100% | 6,453,723 100% | 103 | 56,544 |

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February 3, 2006

Hitachi, Ltd.

SUPPLEMENTARY INFORMATION**FOR THE THIRD QUARTER ENDED DECEMBER 31, 2005 (CONSOLIDATED BASIS)****1. Summary**

(Billions of yen)

| | Three months ended December 31 | | | Nine months ended December 31 | | |
|---------------------------------------|--------------------------------|--------------|------------|-------------------------------|--------------|------------|
| | | | (B)/(A) | | | (D)/(C) |
| | 2004 | 2005 | X100 | 2004 | 2005 | X100 |
| | (A) | (B) | (%) | (C) | (D) | (%) |
| Average exchange rate (Yen / U.S.\$) | 105 | 118 | | 108 | 113 | |
| Capital investment (Completion basis) | 228.9 | 236.1 | 103 | 701.0 | 695.3 | 99 |
| Leasing assets | 140.8 | 139.3 | 99 | 441.2 | 419.7 | 95 |
| Other | 88.0 | 96.8 | 110 | 259.7 | 275.6 | 106 |
| Depreciation | 111.1 | 115.1 | 104 | 317.4 | 333.7 | 105 |
| Leasing assets | 28.1 | 30.4 | 109 | 82.0 | 89.8 | 109 |
| Other | 83.0 | 84.6 | 102 | 235.3 | 243.8 | 104 |
| R&D expenditure | 91.9 | 96.1 | 105 | 281.1 | 294.1 | 105 |
| Percentage of revenues | 4.3% | 4.3% | | 4.4% | 4.4% | |

| | As of March 31, 2005 | As of September 30, 2005 | As of December 31, 2005 |
|---|----------------------|--------------------------|-------------------------|
| Stockholders' equity per share (Yen) | 692.73 | 701.22 | 705.90 |
| Cash & cash equivalents, Short-term investments (Billions of yen) | 855.2 | 826.5 | 742.3 |
| Interest-bearing debt (Billions of yen) | 2,502.5 | 2,602.5 | 2,698.4 |
| Number of employees | 347,424 | 353,094 | 355,369 |
| Japan | 242,891 | 244,702 | 243,910 |
| Overseas | 104,533 | 108,392 | 111,459 |
| Number of consolidated subsidiaries (Including Variable Interest Entities) | 985 | 966 | 949 |
| Japan | 539 | 506 | 489 |
| Overseas | 446 | 460 | 460 |

2. Overseas revenues by industry segment

(Billions of yen)

| | Three months ended December | | | Nine months ended December 31 | | |
|---|-----------------------------|--------------|------------|-------------------------------|----------------|------------|
| | | (B)/(A) | | | (D)/(C) | |
| | 2004 | 2005 | X100 | 2004 | 2005 | X100 |
| | (A) | (B) | (%) | (C) | (D) | (%) |
| Information & Telecommunication Systems | 175.4 | 202.7 | 116 | 500.7 | 545.3 | 109 |
| Electronic Devices | 113.6 | 112.2 | 99 | 384.3 | 327.2 | 85 |
| Power & Industrial Systems | 168.8 | 215.9 | 128 | 494.5 | 633.0 | 128 |
| Digital Media & Consumer Products | 127.0 | 154.3 | 121 | 381.9 | 413.9 | 108 |
| High Functional Materials & Components | 113.4 | 136.4 | 120 | 335.0 | 377.3 | 113 |
| Logistics, Services & Others | 107.0 | 113.8 | 106 | 309.2 | 288.0 | 93 |
| Financial Services | 10.3 | 11.8 | 115 | 30.6 | 34.4 | 112 |
| Total | 815.8 | 947.3 | 116 | 2,436.4 | 2,619.4 | 108 |

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February 3, 2006

Hitachi, Ltd.

SUPPLEMENTARY INFORMATION ON INFORMATION &**TELECOMMUNICATION SYSTEMS, DISPLAYS AND DIGITAL MEDIA**

Note: *1. Segment information and operating income (loss) are presented in accordance with financial reporting principles and practices generally accepted in Japan.

1. Information & Telecommunication Systems *2**(1) Revenues and Operating Income by Product Sector** *3

| | (Billions of yen) | | | | | |
|---------------------|--------------------------------|----------|------|-------------------------------|----------|------|
| | Three months ended December 31 | | | Nine months ended December 31 | | |
| | (A) / (B) | | | (C) / (D) | | |
| | X100 | | | X100 | | |
| | 2005 (A) | 2004 (B) | (%) | 2005 (C) | 2004 (D) | (%) |
| Revenues | 511.3 | 482.4 | 106% | 1,568.5 | 1,554.2 | 101% |
| Software & Services | 207.9 | 197.9 | 105% | 680.8 | 667.9 | 102% |
| Hardware | 303.4 | 284.5 | 107% | 887.6 | 886.2 | 100% |
| Operating income | 0.5 | 2.1 | 24% | 23.7 | 31.1 | 76% |

(2) Revenues by Product Sector *3

| | (Billions of yen) | |
|--|--------------------------------|-------------------------------|
| | Three months ended December 31 | Nine months ended December 31 |
| | (A) / (B) | |

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| | (A) / (B) | | | (C) / (D) | | |
|---------------------|--------------|----------|------|----------------|----------|------|
| | X100 | | | X100 | | |
| | 2005 (A) | 2004 (B) | (%) | 2005 (C) | 2004 (D) | (%) |
| Revenues | 511.3 | 482.4 | 106% | 1,568.5 | 1,554.2 | 101% |
| Software & Services | 207.9 | 197.9 | 105% | 680.8 | 667.9 | 102% |
| Software | 37.9 | 34.2 | 111% | 111.6 | 109.4 | 102% |
| Services | 170.0 | 163.7 | 104% | 569.2 | 558.5 | 102% |
| Hardware | 303.4 | 284.5 | 107% | 887.6 | 886.2 | 100% |
| Storage *4 | 177.6 | 162.8 | 109% | 489.0 | 463.3 | 106% |
| Servers *5 | 18.9 | 18.6 | 102% | 58.1 | 65.7 | 88% |
| PCs *6 | 21.7 | 24.0 | 90% | 73.0 | 86.1 | 85% |
| Telecommunication | 25.5 | 32.2 | 79% | 96.7 | 100.4 | 96% |
| Others | 59.7 | 46.9 | 127% | 170.8 | 170.7 | 100% |

Notes: *2. The Hard Disk Drive operations are conducted by Hitachi Global Storage Technologies (Hitachi GST), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the three months ended December 31, 2005 include the operating results of Hitachi GST for the three months ended September 30, 2005.

*3. Figures for each product exclude intersegment transactions.

*4. Figures for Storage include disk array subsystems, hard disk drives, etc.

*5. Figures for Servers include general-purpose computers, UNIX servers, etc.

*6. Figures for PCs include PC servers, client PCs, etc.

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(3) SAN/NAS Storage Solutions

| | (Billions of yen) | | | | | |
|----------|--------------------------------|----------|------|-------------------------------|----------|------|
| | Three months ended December 31 | | | Nine months ended December 31 | | |
| | (A) / (B) | | | (C) / (D) | | |
| | X100 | | | X100 | | |
| | 2005 (A) | 2004 (B) | (%) | 2005 (C) | 2004 (D) | (%) |
| | 2005 (A) | 2004 (B) | (%) | 2005 (C) | 2004 (D) | (%) |
| Revenues | 89.0 | 66.0 | 135% | 231.0 | 195.0 | 118% |

(4) Hard Disk Drives *7 *8

Period recorded for consolidated

accounting purposes

| Shipment Period | Three months ended December 31 | | | Nine months ended December 31 | | |
|----------------------------------|--------------------------------|----------------------|-----------|-------------------------------|----------------------|-----------|
| | 2005 (A) | 2004 (B) | (A) / (B) | 2005 (C) | 2004 (D) | (C) / (D) |
| | X100 | | | X100 | | |
| | Jul.2005 to Sep.2005 | Jul.2004 to Sep.2004 | (%) | Jan.2005 to Sep.2005 | Jan.2004 to Sep.2004 | (%) |
| Revenues | | | | | | |
| Yen (billions of yen) | 122.4 | 121.4 | 101% | 345.6 | 337.9 | 102% |
| U.S. dollar (millions of dollar) | 1,090 | 1,093 | 100% | 3,180 | 3,091 | 103% |
| Operating income (loss) | | | | | | |
| Yen (billions of yen) | (7.4) | (4.2) | | (31.8) | 0.7 | |
| U.S. dollar (millions of dollar) | (66) | (38) | | (295) | 7 | |
| Shipments (thousand units) *9 | 14,300 | 12,100 | 118% | 41,600 | 32,600 | 127% |
| Consumer and Commercial | | | | | | |
| 1.8/2.5inch *10 | 6,700 | 6,500 | 104% | 19,500 | 18,700 | 104% |
| 3.5inch *11 | 4,800 | 3,400 | 140% | 13,400 | 9,100 | 146% |
| Servers *12 | 1,000 | 1,100 | 91% | 2,300 | 3,000 | 79% |
| Emerging *13 | 1,840 | 1,180 | 155% | 6,410 | 1,880 | 340% |

Period recorded for consolidated

Three months ended March 31

Twelve months ended March 31

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| accounting purposes | 2005 (A) | | | 2004 (B) | | | 2005 (C) | | | 2004 (D) | | |
|----------------------------------|------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|
| | (Jan.2006 to Mar.2006) | | | (Jan.2005 to Mar.2005) | | | (Apr.2005 to Mar.2006) | | | (Apr.2004 to Mar.2005) | | |
| | X100 | | | X100 | | | X100 | | | X100 | | |
| | Shipment Period | Oct.2005 to Dec.2005 | Oct.2004 to Dec.2004 | (%) | Jan.2005 to Dec.2005 | Jan.2004 to Dec.2004 | (%) | Jan.2005 to Dec.2005 | Jan.2004 to Dec.2004 | (%) | Jan.2005 to Dec.2005 | Jan.2004 to Dec.2004 |
| Revenues | | | | | | | | | | | | |
| Yen (billions of yen) | 150.8 | 115.7 | 130% | 496.5 | 453.6 | 109% | | | | | | |
| U.S. dollar (millions of dollar) | 1,285 | 1,107 | 116% | 4,465 | 4,198 | 106% | | | | | | |
| Operating income (loss) | | | | | | | | | | | | |
| Yen (billions of yen) | 4.8 | (6.3) | | (27.0) | (5.6) | | | | | | | |
| U.S. dollar (millions of dollar) | 43 | (60) | | (251) | (53) | | | | | | | |
| Shipments (thousand units) *9 | 16,800 | 13,900 | 121% | 58,400 | 46,600 | 125% | | | | | | |
| Consumer and Commercial | | | | | | | | | | | | |
| 1.8/2.5inch *10 | 8,800 | 6,700 | 131% | 28,300 | 25,400 | 112% | | | | | | |
| 3.5inch *11 | 6,100 | 4,200 | 145% | 19,500 | 13,300 | 146% | | | | | | |
| Servers *12 | 1,000 | 800 | 132% | 3,400 | 3,800 | 90% | | | | | | |
| Emerging *13 | 880 | 2,250 | 39% | 7,290 | 4,140 | 176% | | | | | | |

Notes: *7. Figures include intersegment transactions.

*8. Hitachi GST's operating currency is U.S. dollar. Yen figures include yen / dollar conversion fluctuation.

*9. Shipment less than 100,000 units have been rounded, with the exception of Emerging, where shipment less than 10,000 units have been rounded.

*10. Consumer electronics applications (1.8inch), note-PCs (2.5inch), etc.

*11. Desktop-PCs, consumer electronics applications (3.5inch), etc.

*12. Disk array subsystems, servers (3.5inch), etc.

*13. Hand held devices (1inch), automotive (2.5inch), etc.

- more -

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2. Displays**(1) Revenues and Operating Loss**

(Billions of yen)

| | Three months ended December 31 | | | Nine months ended December 31 | | |
|----------------|--------------------------------|----------|----------|-------------------------------|----------|----------|
| | (A) / (B) | | | (C) / (D) | | |
| | 2005 (A) | 2004 (B) | X100 (%) | 2005 (C) | 2004 (D) | X100 (%) |
| Revenues | 49.7 | 47.6 | 104% | 143.9 | 173.7 | 83% |
| Operating loss | (3.2) | (8.2) | | (16.0) | (6.0) | |

(2) LCD Revenues

(Billions of yen)

| | Three months ended December 31 | | | Nine months ended December 31 | | |
|----------------------------|--------------------------------|----------|----------|-------------------------------|----------|----------|
| | (A) / (B) | | | (C) / (D) | | |
| | 2005 (A) | 2004 (B) | X100 (%) | 2005 (C) | 2004 (D) | X100 (%) |
| Revenues | 43.5 | 40.5 | 107% | 124.0 | 152.5 | 81% |
| Large-size LCDs | 13.5 | 18.5 | 73% | 41.5 | 69.5 | 60% |
| Small and medium-size LCDs | 30.0 | 22.0 | 136% | 82.5 | 83.0 | 99% |

3. Digital Media**Shipments of Main Products *14**

(Thousand units)

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| | Three months ended December 31 | | | Nine months ended December 31 | | |
|-------------------------|--------------------------------|----------|----------|-------------------------------|----------|----------|
| | (A) / (B) | | | (C) / (D) | | |
| | 2005 (A) | 2004 (B) | X100 (%) | 2005 (C) | 2004 (D) | X100 (%) |
| Optical Disk Drives *15 | 19,500 | 19,000 | 103% | 55,500 | 51,000 | 109% |
| Plasma TVs *16 | 170 | 70 | 243% | 350 | 230 | 152% |
| Projection TVs | 100 | 140 | 71% | 250 | 330 | 76% |

- Notes: *14. Shipment less than 10,000 units have been rounded, with the exception of Optical Disk Drives, where shipment less than 100,000 units have been rounded.
- *15. The Optical Disk Drive operations are conducted by Hitachi-LG Data Storage, Inc. (HLDS), which has a December 31 fiscal year-end, different from Hitachi's March 31 year-end. Hitachi's results for the three months ended December 31, 2005 include the operating results of HLDS for the three months ended September 30, 2005.
- *16. The sum of plasma TV and plasma monitor shipments.

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