

**HITACHI, LTD.**  
**Unconsolidated Financial Statements**  
**for the Year Ended March 31, 2006**  
**(117yen = U.S.\$1)**

April 27, 2006

	YEN (millions)			U.S. DOLLARS (millions)
<b><u>INCOME STATEMENTS</u></b>	<b>2006(A)</b>	<b>2005(B)</b>	<b>(A)/(B)×100</b>	<b>2006</b>
<b><u>Revenues</u></b>	2,713,331	2,597,496	104%	23,191
<b>Cost of sales</b>	2,174,910	2,096,204	104%	18,589
<b><u>Gross Profit</u></b>	538,420	501,292	107%	4,602
<b>S.G.A. expenses</b>	537,365	506,986	106%	4,593
<b><u>Operating income(loss)</u></b>	1,054	(5,694)	—	9
<b>Other income</b>	98,121	87,863	112%	839
<b>Other deductions</b>	56,484	59,886	94%	483
<b><u>Ordinary income</u></b>	42,691	22,282	192%	365
<b>Extraordinary gain</b>	57,415	63,140	91%	491
<b>Extraordinary loss</b>	63,139	66,140	95%	540
<b><u>Income before income taxes</u></b>	36,966	19,281	192%	316
<b>Current income taxes</b>	(2,258)	(6,961)	32%	(19)
<b>Deferred income taxes</b>	2,220	15,898	14%	19
<b><u>Net income</u></b>	37,005	10,344	358%	316
<b>Basic EPS (yen and dollars)</b>	11.11	3.12	356%	0.09
<b>Diluted EPS (yen and dollars)</b>	11.11	3.12	356%	0.09
<b><u>BALANCE SHEETS</u></b>	<b>2006/3/31(A)</b>	<b>2005/3/31(B)</b>	<b>(A)/(B)×100</b>	<b>2006/3/31</b>
<b>Current assets</b>	1,850,334	1,860,523	99%	15,815
<b>(Quick assets)</b>	1,457,868	1,467,950	99%	12,460
<b>(Inventories)</b>	285,697	282,875	101%	2,442
<b>(Deferred tax assets)</b>	106,769	109,698	97%	913
<b>Fixed assets</b>	1,983,935	1,891,998	105%	16,957
<b>(Investments)</b>	1,393,633	1,275,735	109%	11,911
<b>(Deferred tax assets)</b>	70,454	96,883	73%	602
<b>(Others)</b>	519,847	519,379	100%	4,443
<b><u>Total assets</u></b>	3,834,270	3,752,522	102%	32,772
<b>Current liabilities</b>	1,720,326	1,776,593	97%	14,704
<b>Fixed liabilities</b>	708,713	610,272	116%	6,057
<b>(Debentures)</b>	290,000	190,000	153%	2,479
<b>(Long-term loans)</b>	224,188	224,533	100%	1,916
<b>(Others)</b>	194,525	195,739	99%	1,663
<b><u>Total liabilities</u></b>	2,429,039	2,386,866	102%	20,761
<b><u>Stockholders' equity</u></b>	1,405,230	1,365,655	103%	12,011
<b><u>Liabilities and stockholders' equity</u></b>	3,834,270	3,752,522	102%	32,772

**FORECAST FOR THE YEAR ENDING MARCH 31, 2007**

	<b>Revenues</b>	<b>Ordinary income</b>	<b>Net income</b>
<b>Millions of Yen</b>	2,600,000	5,000	30,000
<b>Millions of U.S. dollars</b>	22,222	43	256

**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;
- uncertainty as to the results of litigation and legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- 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.