

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.

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.

(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 yen	Year-over-year % change	Millions of 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 yen	Year-over-year % change	Millions of U.S. dollars
Revenues	296.6	(1%)	2,514
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.

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 yen	Year-over-year % change	Millions of 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 Yen	Year-over-year % change	Millions of 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 yen	Year-over-year % change	Millions of U.S. dollars
Revenues	414.2	9%	3,511
Operating income	30.9	40%	262

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 yen	Year-over-year % change	Millions of 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 yen	Year-over-year % change	Millions of 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 yen	Year-over-year % change	Millions of U.S. dollars
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

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
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.

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
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)

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.

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)
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.

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 yen	Year-over-year % 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.

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.

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.

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 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.