

HITACHI LTD
Form 6-K
August 24, 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 June 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)

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. Annual Report pursuant to Article 24.1 of the Securities and Exchange Law of Japan

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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: August 24, 2006

By /s/ Takashi Hatchoji

Takashi Hatchoji
Executive Vice President and Executive Officer

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(Summary Translation)

Annual Report pursuant to Article 24.1 of
the Securities and Exchange Law of Japan

For the 137th business period
(from April 1, 2005 to March 31, 2006)

Hitachi, Ltd.

Tokyo, Japan

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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 markets 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;

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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 elsewhere in this document and in other materials published by Hitachi.

Table of Contents**Outline****1. History**

Hitachi, Ltd. (Company) was founded in 1910 as a small electric repair shop and was incorporated in February 1920.

2. Number of Employees by Industry Segment (Consolidated basis)

| | (As of March 31, 2006) |
|---|-------------------------------|
| Information & Telecommunication Systems | 90,382 |
| Electronic Devices | 27,173 |
| Power & Industrial Systems | 88,019 |
| Digital Media & Consumer Products | 31,334 |
| High Functional Materials & Components | 54,687 |
| Logistics, Services & Others | 28,481 |
| Financial Services | 4,166 |
| Corporate | 3,082 |
| Total | 327,324 |

The number of employees of the Company was 38,350 as of March 31, 2006.

The Business**1. Revenues by Industry Segment (Consolidated basis)**

| <u>Industry Segment</u> | Fiscal year ended |
|---|--------------------------|
| | March 31, 2006 |
| | (Millions of yen) |
| Information & Telecommunication Systems | 2,360,956 |
| Electronic Devices | 1,204,407 |
| Power & Industrial Systems | 2,805,169 |
| Digital Media & Consumer Products | 1,305,658 |
| High Functional Materials & Components | 1,600,246 |
| Logistics, Services & Others | 1,214,784 |
| Financial Services | 517,975 |
| Eliminations & Corporate items | (1,544,394) |
| Total | 9,464,801 |

2. Contracts, etc. (License Agreement)

As Licensee

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| <u>Licensor</u> | <u>Licensee</u> | <u>Concerning</u> |
|--|----------------------------|--|
| General Electric Co. QUALCOMM Inc. | the Company the Company | Gas turbines Wireless communication equipment |
| Cross License and Joint Development | | |

| <u>Party</u> | <u>Concerning</u> |
|---|--|
| General Electric Co. and the Company | Nuclear power plant |
| International Business Machines Corp. and the Company | Information handling systems, RISC parallel systems, servers |
| Hewlett-Packard Co. and the Company | Information handling equipment |
| EMC Corporation and the Company | Information handling systems |
| As Licensor | |

| <u>Licensor</u> | <u>Licensee</u> | <u>Concerning</u> |
|--|-------------------------------------|--|
| Babcock-Hitachi Kabushiki Kaisha Hitachi Metals, Ltd. | Enprima Ltd. Vacuumschmelze GmbH | Desulfurization equipment Nanocrystal soft magnetic alloy |

Table of Contents**3. Research and Development Expenditures (Consolidated basis)**

| <u>Industry Segment</u> | <u>Fiscal year ended</u> <u>March 31, 2006</u> |
|---|---|
| | (Millions of yen) |
| Information & Telecommunication Systems | 161,640 |
| Electronic Devices | 47,037 |
| Power & Industrial Systems | 85,591 |
| Digital Media & Consumer Products | 33,478 |
| High Functional Materials & Components | 48,869 |
| Logistics, Services & Others | 4,797 |
| Financial Services | 1,686 |
| Corporate items | 21,981 |
| Total | 405,079 |

Capital Investment (Consolidated basis)

| <u>Industry Segment</u> | <u>Fiscal year ended</u> <u>March 31, 2006</u> | <u>Fiscal year ended</u> <u>March 31, 2007</u> <u>(Forecast)</u> |
|---|---|--|
| | (Millions of yen) | |
| Information & Telecommunication Systems | 123,266 | 161,000 |
| Electronic Devices | 35,756 | 48,000 |
| Power & Industrial Systems | 106,778 | 134,000 |
| Digital Media & Consumer Products | 38,516 | 55,000 |
| High Functional Materials & Components | 84,557 | 102,000 |
| Logistics, Services & Others | 24,119 | 42,000 |
| Financial Services | 570,644 | 585,000 |
| Eliminations & Corporate items | (28,930) | (27,000) |
| Total | 954,706 | 1,100,000 |

Property (Consolidated basis)

| <u>Industry Segment</u> | <u>(As of March 31, 2006)</u> <u>Asset in Book Value</u> |
|---|---|
| | (Millions of yen) |
| Information & Telecommunication Systems | 398,392 |
| Electronic Devices | 183,555 |
| Power & Industrial Systems | 564,639 |

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| | |
|--|-----------|
| Digital Media & Consumer Products | 194,328 |
| High Functional Materials & Components | 473,772 |
| Logistics, Services & Others | 252,453 |
| Financial Services | 369,661 |
| Eliminations & Corporate items | 23,386 |
| | <hr/> |
| Total | 2,460,186 |
| | <hr/> |

Table of Contents**The Company**

| | |
|--|----------------------|
| 1. Capital Stock at the end of March 2006 | 282,033 million yen |
| 2. Total Shares Issued at the end of March 2006 | 3,368,126,056 shares |
| 3. Listed Stock Exchanges as of June 27, 2006 | |

* The common stock of the Company is listed on the Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo stock exchanges in Japan and on the Frankfurt and New York stock exchanges overseas. The Company delisted its shares (represented by depositary receipts) from Luxembourg, Euronext Amsterdam and Euronext Paris stock exchanges. The Company is applying to delist its shares (represented by depositary receipts) from Frankfurt Stock Exchange.

4. Main Shareholders

| Name of Shareholders | (As of March 31, 2006) | |
|---|-------------------------------|----------------------------|
| | Number of Shares | Percentage to |
| | (shares) | Total Shares Issued |
| 1 NATS CUMCO* | 292,793,700 | 8.69% |
| 2 State Street Bank and Trust Company | 202,063,693 | 6.00 |
| 3 The Master Trust Bank of Japan, Ltd. | 189,443,000 | 5.62 |
| 4 Japan Trustee Services Bank, Ltd. | 155,829,000 | 4.63 |
| 5 The Chase Manhattan Bank, N.A. London | 106,973,180 | 3.18 |

* NATS CUMCO is the nominee name for the aggregate of the Company's American Depositary Receipts (ADRs) depositary.

5. Incentive Stock Option Plan

The Company introduced a stock option plan resolved at the 132nd Ordinary General Meeting of Shareholders held June 27, 2001. The Company has granted rights to subscribe for new shares to its Directors and certain employees under this plan. The Company introduced a stock option plan resolved at the 134th Ordinary General Meeting of Shareholders held June 25, 2003, the 135th Ordinary General Meeting of Shareholders held June 24, 2004, and the 136th Ordinary General Meeting of Shareholders held June 24, 2005 respectively. The Company has granted rights to subscribe for new shares to its Directors, Executive Officers and certain employees under these plans. At the Compensation Committee held on March 30, 2006, it was determined that stock options would not be granted in the future.

Table of Contents**6. Directors and Executive Officers**

(a) Directors

| <u>Position</u> | <u>Committee Membership</u> | <u>Name</u> |
|------------------------|---|--------------------|
| Board Director (Chair) | Audit Committee (Chair) | Yoshiki Yagi |
| Director | Nominating Committee | *Etsuhiko Shoyama |
| Director | Compensation Committee | *Kazuo Furukawa |
| Director | Audit Committee | Tadamichi Sakiyama |
| Director | | *Takashi Miyoshi |
| Director | Nominating Committee, Audit Committee | Ginko Sato |
| Director | Nominating Committee, Audit Committee, Compensation Committee | Hiromichi Seya |
| Director | Audit Committee, Compensation Committee | Akira Chihaya |
| Director | Nominating Committee, Compensation Committee | Tohru Motobayashi |
| Director | | Isao Uchigasaki |
| Director | | Takashi Kawamura |
| Director | | Yoshiro Kuwata |
| Director | Nominating Committee (Chair), Compensation Committee (Chair) | Masayoshi Hanabusa |
| Director | | Ryuichi Seguchi |

(Note) The Directors marked with * concurrently hold the position of Executive Officers.

(b) Executive Officers

| <u>Position</u> | <u>Name</u> | <u>Responsibilities</u> |
|--|--------------------|---|
| Representative Executive Officer | Etsuhiko Shoyama | Management in general |
| Chairman | | |
| Representative Executive Officer | Kazuo Furukawa | Overall management |
| President | | |
| Representative Executive Officer | Michiharu Nakamura | Research & development and business incubation |
| Executive Vice President and Executive Officer | | |
| Executive Vice President and Executive Officer | Hiroaki Nakanishi | Hitachi group global business (North America) |
| Representative Executive Officer | Takashi Hatchoji | Corporate planning, legal and corporate communications, corporate auditing and procurement |
| Executive Vice President and Executive Officer | | |
| Representative Executive Officer | Takashi Miyoshi | Hitachi group management, business development, finance and corporate pension system |
| Executive Vice President and Executive Officer | | |
| Representative Executive Officer | Tadahiko Ishigaki | Sales operations, digital media business, Hitachi group global business and corporate export regulation |
| Senior Vice President and Executive Officer | | |

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| | | |
|---|--------------------|---|
| Senior Vice President and Executive Officer | Kunihiko Ohnuma | Industrial systems business and urban planning and development systems business |
| Senior Vice President and Executive Officer | Manabu Shinomoto | Information & telecommunication systems business |
| Senior Vice President and Executive Officer | Taiji Hasegawa | Automotive systems business |
| Senior Vice President and Executive Officer | Kazuhiro Mori | Hitachi group companies management assistance |
| Senior Vice President and Executive Officer | Shozo Saito | Power systems business, production engineering and power systems engineering |
| Senior Vice President and Executive Officer | Junzo Kawakami | Research & development |
| Senior Vice President and Executive Officer | Minoru Tsukada | Hitachi group global business (China) |
| Vice President and Executive Officer | Akira Maru | Power systems business |
| Vice President and Executive Officer | Gaku Suzuki | Industrial systems business |
| Vice President and Executive Officer | Naoya Takahashi | Storage systems business and platform and network systems business |
| Vice President and Executive Officer | Junzo Nakajima | System solutions business |
| Vice President and Executive Officer | Kazuhiro Tachibana | Consumer business |
| Vice President and Executive Officer | Makoto Ebata | Digital media business |
| Vice President and Executive Officer | Masahiro Hayashi | Sales operations (Kansai area) |
| Vice President and Executive Officer | Koichiro Nishikawa | Business development |
| Vice President and Executive Officer | Shinjiro Kasai | Human resources |
| Vice President and Executive Officer | Hiroyuki Fukuyama | Production engineering |

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Financial Statements

The consolidated financial statements and unconsolidated financial statements were included in the reports on Form 6-K which have been submitted to the SEC.