

News Release

FOR IMMEDIATE RELEASE

Hitachi Energy invests additional \$250 million USD to address global transformer shortage

- More than 40 percent of the total investment dedicated to the U.S. underpins commitment to scale up the industry to meet surging transformer demand
- The U.S. investment includes hiring more than 100 people to expand domestic key component manufacturing to strengthen local supply chain
- Builds on the \$6 billion USD investment announced in 2024 – the largest in the industry in recent years to respond to the urgent need to upgrade power grids

Zurich and Houston, March 10, 2025 – Hitachi Energy announced today at CERAWeek additional major investments of more than \$250 million USD by 2027 to expand global production of critical components for transformers. This rapid follow-up to the recently announced \$6 billion USD investment across the company portfolio reflects the escalating transformer shortage, which continues to increase.

As the electrification of industries, particularly data centers and AI, drives unprecedented demand for electricity, the need for transformers has surged beyond initial projections. To keep pace with this accelerating demand, Hitachi Energy is expanding its commitment to scale up production and strengthen supply chains in the U.S. and worldwide.

These investments bolster Hitachi Energy's manufacturing capabilities across the U.S., enhancing production capacity at the company's transformer factories in Virginia, Missouri, and Mississippi. It includes transformer components such as bushings and insulation as Hitachi Energy is a critical supplier to other transformer manufacturers.

This pivotal move will also help alleviate the broader, ongoing transformer supply shortage, ensuring increased production capacity and supply-chain resilience. The global investment program, one of the most significant in the industry today, also strengthens Hitachi Energy's manufacturing capabilities in Asia, South America, and Europe.

“The demand for transformers and grid infrastructure is rising at an unprecedented scale and pace,” said Andreas Schierenbeck, CEO of Hitachi Energy. “As the world's largest transformer manufacturer, we have a responsibility to expand our capacity and accelerate the delivery of transformers and essential components, helping the industry scale up faster and advance critical infrastructure projects.”

Transformer investments are part of a broader, [multi-billion-dollar](#) investment plan that Hitachi Energy is deploying across its manufacturing, engineering, digital, R&D, and partnership activities. These investments are being rolled out across all major markets globally to enable the company to meet customers' commitments and market demand. Hitachi Energy is also delivering enhancements in supply chain management, digitalization, and automation, allowing capacity expansion and accelerated speed to market.

Transformers are vital to the clean energy transition and enable the efficient transmission and distribution of electricity. They are a key element in integrating renewables, expanding grid interconnections, powering data centers, electrifying transportation, and facilitating the decarbonization of energy systems.

Transformer insulation and components, such as bushings, tap-changers, insulation material and parts, and other accessories, are essential to the seamless operation of transformers. As

the world's largest transformer manufacturer, Hitachi Energy has over 60 transformer factories and 30 service centers worldwide, providing the world's broadest portfolio of transformer insulation and components.

Today's investment builds on the \$6 billion USD announced in 2024, including \$1.5 billion USD specifically allocated to scaling global transformer production. This expansion is essential to meeting growing demand and supporting long-term decarbonization and electrification efforts.

All announced capacity investments include sustainable and state-of-the-art manufacturing technologies for operational efficiency while ensuring high standards of safety and quality. They are advancing the company's efforts to become carbon-neutral in its own operations by 2030 and aim to create positive economic and social impacts in local communities wherever the company works.

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About Hitachi Energy

Hitachi Energy is a global technology leader that is advancing a sustainable energy future for all. We are advancing the world's energy system to be more sustainable, flexible and secure and we collaborate with customers and partners to enable a sustainable energy future – for today's generations and those to come. Hitachi Energy has a proven track record and unparalleled installed base in more than 140 countries, serving customers in utility, industry, transportation, data centers and infrastructure sectors. With innovative technologies and services including the integration of more than 150 gigawatts of HVDC links into the power system, we help make the energy value chain more efficient, making electricity more accessible to all. Together with stakeholders across sectors and geographies, we enable the digital transformation required to accelerate the energy transition towards a carbon-neutral future. Headquartered in Switzerland, we employ around 45,000 people in 60 countries and generate business volumes of around \$13 billion USD.

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About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society through the use of data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the 3 business sectors of "Digital Systems & Services" – supporting our customers' digital transformation; "Green Energy & Mobility" – contributing to a decarbonized society through energy and railway systems, and "Connective Industries" – connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company's revenues as 3 sectors for fiscal year 2023 (ended March 31, 2024) totaled 8,564.3 billion yen, with 573 consolidated subsidiaries and approximately 270,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
