

# News Release

FOR IMMEDIATE RELEASE

## Hitachi Energy to invest additional \$4.5 billion by 2027 to accelerate the clean energy transition

- Order backlog more than tripled to over \$30 billion since 2020
- More than double new investments in manufacturing, engineering, digital, R&D and partnerships across all major markets from 2024 to 2027
- Around \$330 million in capacity expansion, modernization, and new build in Sweden, across all product portfolio with additional 2,000 employees
- Global Technology and Innovation Center in India will increase to more than 4,000 employees to serve more than 40 countries

**Zurich, June 7, 2024** – Hitachi Energy will invest an additional \$4.5 billion in manufacturing, engineering, digital, R&D and partnerships by 2027, doubling the investments done in the last three years. This complements the recently announced [\\$1.5 billion investment](#) in April this year to ramp up global transformer production.

These investments will enable the company to meet customers' commitments and market demand, increasing its global R&D, engineering and manufacturing capacity of transformers, high-voltage direct current (HVDC) and high-voltage products. It will also support the deployment of power electronics-based solutions, grid automation and software solutions, and services in line with the [Hitachi Energy 2030 Plan](#). Investments will also go into partnerships, supply chain, digitalization and automation, which are enablers to support capacity expansion and increase speed to market.

Electrification is pivotal to achieving Net-Zero goals and the energy transition requires innovative software solutions and services and a significant increase in the production of critical technologies for an expanded electricity grid. Integrating more renewable energy sources like solar and wind, alongside meeting the electrification demands of transport, buildings, industry, and other sectors, necessitates a secure and flexible grid infrastructure. According to [IEA](#), the increased usage of Gen AI and the ever-growing quantity of digital data requires an expansion of data centers and the global electricity demand from data centers and AI could double towards 2026.

The company also announced today that it is investing around \$330 million to expand and modernize its flagship factory in Ludvika and a new campus in Vasteras, Sweden, across all product portfolios. The Ludvika factory, with over 120 years of innovation, manufactures transformers, high-voltage products and HVDC systems, and will expand by more than 30,000 square meters. This will especially enable new manufacturing capacity of large transformers to meet the deliveries of key HVDC projects. A new campus in Vasteras will accommodate 1,800 employees, including an R&D center and a state-of-the-art production facility for grid automation. The workforce in Sweden will additionally grow by 2,000 to support the accelerating energy transition.

According to the [IEA Report](#) in October 2023: The recent clean energy progress we have seen in many countries is unprecedented and cause for optimism, but it could be put in jeopardy if governments and businesses do not come together to ensure the world's electricity grids are ready for the new global energy economy that is rapidly emerging. This report shows what's at stake and needs to be done. We must invest in grids today or face gridlock tomorrow.

“Electricity will be the backbone of the entire energy system and the change is happening faster than many thought possible. New business models, harmonization of designs, along

with partnerships are key drivers for the increase in the pace of change,” said Claudio Facchin, CEO, Hitachi Energy. “The world is in a race to transform energy systems. Technology is not the bottleneck and electrification is creating unprecedented demand for power grids systems combined with digital solutions and services. As the market leader, we are responding with an unprecedented level of investment, people and innovation to meet that demand.”

Just in the last month, key HVDC projects were announced that are urgently needed to meet rapidly growing market demand. Underpinned by new scalable business models pioneered by Hitachi Energy, framework agreements were signed with [RTE](#) in France, [RWE](#) in Germany, [Marinus Link](#) in Australia, in addition to a service contract with [Pattern Energy](#) in the US. The company also announced the [Sa.Co.I.3](#) interconnection between Italy and France, another industry-leading multi-terminal solution.

Governments, industries, and consumers are accelerating the switch from fossil energy to electricity to power transport, building heating and cooling, and industrial processes. Decision-makers and operators require real-time grid data for insights and collaboration. Digitally enabled transformers, switchgear, substations, converter stations, Lumada Asset Performance Management and digital twin data platforms like IdentiQ™ are critical for a more sustainable, flexible, and secure energy system. The company is also leveraging synergies between Hitachi Energy and Hitachi Digital to provide the unique position across IT, OT, product and service capabilities to support our customers throughout the entire lifecycle.

- End -

### **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 90 countries and generate business volumes of around \$13 billion USD.

<https://www.hitachienergy.com>

<https://www.linkedin.com/company/hitachienergy>

<https://twitter.com/HitachiEnergy>

### **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.

---