

# News Release

FOR IMMEDIATE RELEASE

## Hitachi Energy bolsters manufacturing capacity in North America with additional investments of over \$155 million USD

- \$60 million USD for the expansion of the high-voltage switchgear and breakers factory in Mount Pleasant, Pennsylvania
- \$25 million USD expansion in the distribution, power, and traction transformer factory in South Boston, Virginia, and \$70 million USD distribution transformer factory in Mexico
- Capacity expansion and upgrades to help meet growing demand, creating hundreds of skilled jobs



Hitachi Energy distribution transformer factory in Reynosa, Mexico

**New York/Zurich, September 23, 2024** – At Climate Week NYC, Hitachi Energy announced plans to invest an additional \$155 million USD to expand its manufacturing capacity in North America. This includes the construction of a new distribution transformer factory in Reynosa, Mexico, and expansions to its transformer factory in South Boston, Virginia, and its high-voltage switchgear and breakers factory in Mount Pleasant, Pennsylvania.

The order backlog of the company has more than tripled since 2020 with the U.S. making a substantial contribution. Hitachi Energy has added over 8,000 employees between 2020-2023, including more than 1,200 in the U.S. In North America, we have already announced over \$150 million USD of investments and future investment plans are under consideration.

"Demand for electrical equipment, including transformers and switchgear, is surging globally, and significantly in North America, and one of our highest priorities is making sure that we are growing our capabilities to address our customer's present and future needs," said Andreas Schierenbeck, CEO of Hitachi Energy. "To achieve our goals, we will continue to expand and optimize our footprint in the North American region, leverage our expansive global presence, and prioritize R&D and innovation to drive the energy transition without compromising safety and reliability."

### Transformers

The investments in North America include \$70 million USD in the construction of a new distribution transformer factory in Reynosa, Mexico alongside an additional investment of over \$25 million USD to expand its South Boston, Virginia transformer factory, in the US.

The new transformer factory in Reynosa will address the need for single-phase, padmount distribution transformers used widely in the North American market and will bring 350 jobs to the region.

The investment in South Boston will help expand the production capacity for large distribution transformers and is expected to contribute to the region's economic growth and development, creating about 100 new jobs ranging from skilled manufacturing to administrative roles.

These initiatives are adding up to other announced investments to enhance the transformers' capacity, including investments directly in the region and globally. In the region, this includes the expansion in Varennes, Quebec, Canada, and the recently completed project in [Jefferson City, Missouri, US](#).

Hitachi Energy announced projects in [April](#) and [July](#) of 2024 in Canada of an overall \$140 million (CAD) investment to support the establishment of a new HVDC simulation center in Montreal, and also upgrade and modernize its power transformer factory in Varennes, and other facilities in Montreal.

Globally, Hitachi Energy is also investing in other markets to enhance its global footprint, with more than seven factories currently supporting the market demand for transformers coming from Europe, South America, and Asia.

### **High Voltage Switchgear and Breakers**

Hitachi Energy is also announcing a \$60 million USD investment in its Mount Pleasant, Pennsylvania facility. This expansion aims to double production capacity for high-voltage switchgear and breakers, including dead tank breakers, gas-insulated switchgear and hybrid switchgear. Driven by the surging demand for high-voltage products in North America, the investment will create around 100 new jobs.

A significant portion of the investment includes the implementation of a new gas-management system for [EconIQ™](#) switchgear production. [North America has been a pioneer in adopting the EconIQ eco-efficient technology](#), which eliminates the use of sulfur hexafluoride (SF<sub>6</sub>), the most potent greenhouse gas from high-voltage equipment. This investment aligns with Hitachi Energy's commitment to sustainability and reinforces its position as a leader in high-voltage eco-efficient solutions.

[Transformers](#) as well as [high-voltage switchgear and breakers](#) play a key role across the power value chain, safeguarding and enabling efficient transmission and distribution of electricity.

Hitachi Energy has the world's largest transformer installed base, portfolio range, market coverage, and manufacturing capacity.

As the leader in high-voltage technology, we remain at the forefront of innovation, advancing eco-efficient solutions through our SF<sub>6</sub>-free EconIQ portfolio. These innovations retain the highest safety and performance standards while staying compact and offering the lowest carbon footprint in a life-cycle assessment.

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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 90 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>.

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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.

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