

**Opening remarks from Klaus Meder,  
President and Representative Director of Bosch Corporation, Japan**

Hello everyone. Thank you all for coming. It has been four years since the last event was held, and I am pleased to meet everyone in person again.

The mobility industry is currently undergoing rapid change. JAPAN MOBILITY SHOW, for example, represents this transformation. There are companies participating from a wide range of mobility-related fields, such as IT, finance, and energy. And the number of participating companies has greatly increased, even doubling. The participation of companies from diverse fields promotes technological innovation and energizes the industry more than ever. I am personally excited about the transformation as a member of a company deeply involved in Japan's mobility industry.

Bosch started its business in Japan from Yokohama in 1911. Since then, for 112 years, Bosch has supported the development of the Japanese industry together with our customers from all mobility sectors, including electrified bicycles, over motorcycles to automobiles and trucks, from urban mobility to off highway and even maritime usage. We can proudly say that we are a Mobility Company. Currently Bosch operates 32 locations across the country, including 10 manufacturing sites and 2 test courses. We have grown to over 6,000 associates.

The third-party sales in Japan in 2023 is expected to hit a new record high, increasing by more than 20% over the previous year's figure of 340 billion yen. Considering that the number of vehicle production in Japan is up 10% over the previous year, Bosch is growing at a much faster pace than the market.

To promote even greater growth for our businesses in Japan, Bosch is currently constructing a new headquarters and R&D facility in Tsuzuki Ward, Yokohama. On the same site, we are also constructing the Tsuzuki Ward Cultural Center, which will have the official nickname "Bosch Hall." This project marks Bosch Group's first public-private partnership, and we are investing about 300 million euros, our largest capital investment since starting business in Japan. This new facility, to be completed next year, will bring together our divisions and group companies scattered across the Tokyo-Yokohama area. Approximately 2,000 associates will be moving to the new location. With the opening of this facility, Bosch will be able to respond more swiftly and accurately to the increasingly diverse needs of our customers in Japan.

For over 110 years, Bosch has expanded its business in Japan to fulfill its responsibility to locally support Japanese automakers, which account for 30% of global vehicle production. As the environment surrounding mobility is changing dramatically with the progress of electrification and automation, Bosch has grown significantly by providing comprehensive solutions that range from hardware to software, and from platforms to services to meet the

diversifying needs of our customers.

Technologies for vehicles of the future will extend beyond roads, expanding into the world of cloud-based solutions. The era of the software defined vehicle is already at our doors. Bosch will shape the new era of mobility by continuing to grow as a software company in addition to a longstanding core competence in hardware. And this is reflected in our theme for today: “Let’s shape the new era of mobility, together.” Our aim at Bosch is to realize a society built on sustainable mobility, together.

Christian Mecker will now introduce some of the specific initiatives that Bosch is pursuing to achieve the sustainable mobility of the future.

**Bosch: Leading the rapidly changing mobility market, as a software company**

Thank you, Klaus. As Klaus just mentioned, Bosch is already more than just a system supplier. In addition to our strengths in hardware, Bosch is responding to the trend toward software-based automotive engineering to realize software-defined vehicles. As a specific example of sustainable mobility, I would like to start by discussing initiatives related to e-mobility. Bosch leads the electrical powertrain market, covering a wide range of electromobility products, from silicon carbide chips to components, active parts, and complete drive systems. As a result, Bosch's e-mobility business continues to grow, and we are aiming to generate sales of 6 billion euros in 2026.

Software is the key to achieve a society built on sustainable mobility. Bosch has already established itself as a software company for the mobility industry. For instance, our Mobility business sector alone employs 38,000 software engineers. As early as 2026, we expect to generate sales of more than 3 billion euros based on computers for driver assistance and infotainment.

As you can see, Bosch has strengths in both hardware and software, and we are the key player in the field of software defined vehicles. Up until now, Bosch has provided a combined package of hardware and software. However, as with our video perception software announced recently at IAA Mobility, we have now begun offering standalone software products that do not rely on one specific hardware but can be used on chips from various manufacturers to offer more flexibility to our customers.

Additionally, Bosch is already responding to the software needs of our customers in Japan. Vehicle Dynamics Control 2.0 is a software to predict the desired behavior of the vehicle according to the inputs of the driver. If the risk of skidding is predicted, it proactively intervenes and applies control to support the movement of the vehicle. This increases the driver's sense of safety and confidence in the vehicle, not only in everyday handling of the vehicle but also in critical situations. Bosch has worked with Japanese customers in recent years to develop next-generation ESP® with Vehicle Dynamics Control 2.0. Bosch's next-

generation ESP® has been adopted in the Mazda Roadster Upgraded Model. Based on Vehicle Dynamics Control 2.0, Bosch jointly developed “DSC-TRACK.” It is an ESP® control mode which reduces the risk of loss of control by intervening only when sudden unstable behavior such as spinning is detected while maintaining the driver's enjoyment of controlling the vehicle when driving on a circuit.

Bosch also provides software-based services to ensure the comfort and safety of mobility users. Have you ever rented a non-smoking car, but the car you got smelled terrible? RideCare Insight is our fleet management service that provides cloud-based data analysis using a sensor box in the vehicle and AI to detect smoke or damage on the vehicle. This information is shared in real-time with fleet operators, and repairs and cleaning can be carried out more quickly. By the end of this year, Bosch will start proof of concept with one of our Japanese customers using RideCare Insight for their car leasing business in North America. Bosch will collect and analyze data from RideCare Insight for more than six months for this project. This should also provide a strong foothold for introducing RideCare Insight in Japan in the future.

Bosch also offers solutions to make software development easier and more efficient both in the vehicle and on the cloud-side. ETAS, a subsidiary of Bosch, provides comprehensive portfolio that includes vehicle basic software, middleware, development tools, cloud-based services, cybersecurity solutions, and end-to-end engineering and consulting services for the realization of software-defined vehicles.

Bosch is already contributing to the development of the mobility market in Japan as a software company by providing a full range of software solutions to our Japanese customers.

To shape the new era of mobility even further, at Bosch we will reorganize our mobility business as of January 1 of next year. Bosch will be able to respond better and faster to the increasingly diverse needs of our Japanese customers by providing customized technologies and solutions from a single source.

In this way, Bosch provides a wide range of mobility-related technologies and solutions in five major domains: Advanced Driver Assistance System, motion, energy, body & comfort, and infotainment, as well as software, hardware, semiconductors, platforms and services across these domains. To help you better understand our wide-ranging solutions, I would like to invite you to visit our show car exhibit here at our booth. It demonstrates how we realize connectivity, automation, electrification, and personalization, besides software and services.

## **Conclusion**

Bosch is strengthening cross-divisional collaboration through the upcoming reorganization of

its mobility business and the opening of a new headquarters and R&D facility in Yokohama. Additionally, Bosch will continue to shape the new era of mobility with our Japanese customers by offering a wide range of mobility-related technologies and solutions from a single source.

Thank you for your attention.