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**Bosch is paving the path to a mobility free from
accident, stress and emissions**

A presentation by Dr. Rolf Bulander
chairman of the Mobility Solutions business sector of
Robert Bosch GmbH,
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Check against delivery.

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Ladies and gentlemen,

The automotive industry today is on the cusp of a dramatic transformation. Technology has advanced more rapidly than we imagined, and we are about to see a wave of innovation in the field of mobility. Some of you might remember our statement from 2015: The future of mobility is automated, connected and electrified. Over the past two years, these three trends have made huge strides. However, the journey is not yet complete. These three development approaches will allow us to achieve accident-free, stress-free and emissions-free mobility for all road users in the long run. It is a bold plan. One that will revolutionize mobility as we know it today. But it is more than just an attractive vision – we know well that the path toward the mobility of tomorrow starts with specific action for improving it today. Bosch supplies the solutions that will pave this path. This strategy has not changed in the last years. So today, I would like to show you with different examples how we fulfil our promises.

Vision #1: accident-free mobility is automated mobility

Bosch has a clear objective for realizing automated mobility. It is to reduce accidents on city streets to an absolute minimum. In Tokyo, we see three to five deaths per 100,000 road users. This number needs to decrease further. An automated driving vehicle controlled by a computer is not only able to react more quickly than a human, it also can drive more defensively. Therefore, realizing automated driving means saving further lives. However, there are steps that must be achieved to realize automated driving.

One important step is high-resolution maps. To enable automated driving, the car needs to constantly have accurate positional information about itself. Bosch is currently developing maps with major map providers in Europe and China.

We are also working on development of Bosch Radar Road Signature, which will be able to ascertain the car's position inside a lane with an accuracy of a few centimeters. This project involves processing data obtained from car radar on Bosch's cloud platform, then linking it with the cloud platform of map-making partner companies to create high-resolution maps.

Furthermore, it gives me great pleasure to announce an alliance with a Japanese map provider for developing high-resolution maps. Bosch will be working with INCREMENT P CORPORATION to develop a map of Japan using Bosch Radar Road Signature. In addition to Europe and China, this new collaboration will expand our development of high-resolution maps covering major global markets.

Vision #2: stress-free mobility is connected mobility

Beyond automated driving, connected mobility is another approach to improving the mobility of the future. It can help solve one of the major problems of modern city inhabitants: Stress in traffic. To achieve this, we need to connect the millions of devices in a city and create new services.

Bosch recently launched its own cloud, called Bosch IoT Cloud, along with a software platform called Bosch Automotive Cloud Suite for building connected services. With these, Bosch has established the infrastructure for providing a comprehensive line of mobility services. Bosch will make both of these offerings available externally in 2018, but we are already making use of them. This Jaguar F-Pace is a demonstration car that showcases Bosch's various connected services, and I would like to introduce some of them.

Over-the-air update of on-board software

For me, one connected function demonstrates the benefit for drivers in a very clear way. Let me first refer to the software-over-the-air update function, which will soon become standard in every vehicle. Smartphones are already making everyday use of software updates via cloud networks. Bosch is working to achieve the same with cars. Over-the-air, or OTA for short, is an update delivery method that uses wireless networks to update software. With OTA, drivers will be able to add new functions such as connected parking or lane-keeping systems from their own homes over the car's lifetime.

Enhancing vehicle safety with eCall (automatic emergency call service)

A second example I'd like to show you is a true lifesaver when it comes to connectivity. The eCall automatic emergency call service can be your guardian angel after a serious car crash.

The vehicle is equipped with a communication unit, which transmits a call to a service center when the airbags or seatbelt tensioners are deployed.

Additionally, a driver can also contact the service center manually by pressing the call button.

The information we receive from a customer's vehicle falls into three main categories. The first is the number of people in the vehicle. This is judged from information such as whether seatbelts are engaged, and the amount of weight on seats. The second is maps and location codes (or coordinates) of where an accident occurs. This is the most important piece of information for ensuring ambulances get to where they need to be. There is also a feature embedded that links to data regarding which fire departments hold jurisdiction over a location, ensuring no time is lost in making the right call. The third is information about the vehicle. The car's model, color and engine type such as gasoline, diesel or hybrid.

All of this information is used to swiftly request an ambulance when a customer is in need of help or unconscious. In order to ensure our customers survive an accident and return to their loved ones, safe and sound, our response at the eCall service center must be rapid and precise. That is why this information is so indispensable.

Bosch is one of the few suppliers that can provide this service worldwide. In Japan, eCall will be added to the JNCAP automobile assessment evaluation in 2018. Bosch already started providing eCall service to Mercedes Benz in Japan starting this past summer.

Vision #3: many paths lead to emissions-free mobility

We talked about automated driving and lifesaving connectivity. Yet nothing we do will have any value without clean air to breathe. That's why we're pursuing the goal of emissions-free mobility. If you ask me whether the urban mobility of the future will be increasingly electric, my answer is yes. But I would also add that combustion engines and electric motors will continue to coexist for many years to come. Bosch estimates that nearly 20 million hybrids and electric vehicles will be produced in 2025. However, at the same point in time, there will be some 85 million new gasoline and diesel-fuelled vehicles. Above all, we will not be able to achieve ambitious CO₂ targets through electric vehicles alone. In both, fuel or electricity, Bosch aims to remain the leading company and a strong partner for automakers. To ensure this, we have adopted a strategic product portfolio. This brings me to an innovative

component that will play an important role going forward: the "eAxle."

eAxle: An integrated electric axle that extends the range of electromobility, cuts down the development process, and helps to reduce costs

The eAxle is Bosch's new start-up powertrain that reduces time to market for established car manufactures and new players. It integrates the motor, power electronics, and transmission into a single unit, and enables a compact unit for electric driving. It can be used to drive small electric vehicles as well as hybrid SUVs. This variability does not only reduce complexity, it also reduces development time, as Bosch can deliver this electric powertrain directly to the production line. eAxle prototypes are already being evaluated by several automakers, and we expect to start mass production in 2019. This underlines the path Bosch is following consequently in the field of electromobility. Today already 500,000 cars drive electrically on the world's streets with components from Bosch.

New models fitted with Bosch's premium electric power assisted bicycle unit on sale in Japan

Now I would like to wrap up my introduction of our portfolio with an appropriate look at compact electromobility. Bosch started supplying electric power assisted bicycle units in Europe around eight years ago, and we have now built a position as the global market leader in premium segment. Bosch eBike Systems offer both great performance and outstanding design that does not interfere with the style of the bicycle. Users can thus enjoy cycling in style while receiving comfortable assistance from the drive unit. In 2018, the popular bicycle brands, Trek, Tern, Corratec and Bianchi, will introduce their new models featuring Bosch's new system "Active Line Plus" here in Japan.

Business overview

Supported by our track record and our strategic investments in the future, the Mobility Solutions business sector is on a strong sales growth track. Its global sales in 2016 were around 43.9 billion euros, and year-on-year sales growth in 2017 is expected to be around 7%. Sales in Japan are also expected to grow in 2017, outpacing growth in domestic automobile production volume.

Summary

I hope I have given you an understanding of our vision for mobility and what we are doing to make it a reality. Our motivation in working to realize

accident-free, stress-free and emissions-free mobility is found in our corporate slogan: "Invented for life." To improve quality of life is the ultimate aim of all our activities. This desire has never changed, being part of the company's DNA that has been passed down from our founder Robert Bosch to the company today. Bosch has the requisite expertise, longstanding experience, and strong determination to ensure that the dramatic evolution in technology we are seeing today will benefit society. Looking ahead, we will work to continue as a leading company in the automotive industry. To do this, we are looking beyond our previous business models and revising our conception of Bosch.

Thank you for listening.