

# Bosch Japan is shaping the future of mobility with its new research and development center

New R&D facility and Tsuzuki Ward Cultural Center (tentative name) in Tsuzuki Ward, Yokohama City

- The largest capital investment of some 39 billion Japanese yen (approx. 300 million euros) since Bosch's entry into the Japanese market in 1911
- Building of the Tsuzuki Ward Cultural Center (tentative name) is the first public-private partnership project for Bosch worldwide
- Construction to be completed in September 2024
- Headquarters office to be relocated to the new facility
- First installation of stationary fuel cell systems (SOFC) at a Bosch Group site in the Asia-Pacific region

Tokyo — Bosch Corporation, the Japanese subsidiary of Robert Bosch GmbH, a leading global supplier of technology and services, announced that the company will invest some 39 billion Japanese yen (approx. 300 million euros) into its new R&D facility and the Ward Cultural Center. This is the first time for Bosch worldwide to participate in a public-private partnership project that integrates Bosch locations with local facilities and to take an active role in the creation of a lively local community. The construction is to be completed in September 2024. This is the largest single capital expenditure for the Bosch Group in Japan in its more than 110-year history. Bosch will relocate its headquarters office from Shibuya Ward, Tokyo, to the new R&D facility.

"Bosch and the Japanese automotive industry have enjoyed a longstanding, fruitful partnership since we first started our operations in Japan in 1911," says Rolf Najork, member of the board of management of Robert Bosch GmbH responsible for Japan. "The establishment of the new R&D facility will strengthen our cross-divisional development capabilities, allowing us to drive future mobility together with our local partners," Najork says.

"The establishment of the new R&D center shows Bosch's commitment to further strengthen its presence in Japan and illustrates the importance the company

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February 24, 2022 C/CGR-JP-2022-03 attaches to the Japanese market and its customers," said Klaus Meder, president and representative director of Bosch Corporation.

"Bosch, one of the world's leading technology companies, started its operations in Japan 111 years ago in Yokohama. In 1990, the company established its R&D facility in Tsuzuki Ward, Yokohama and has been supporting the growth and development of the Yokohama economy ever since," says Mr. Takeharu Yamanaka, the mayor of Yokohama City. "Together with Bosch which offers cutting-edge solutions and ideas, we will create new innovations from Yokohama that will lead to sustainable growth for Japan and the world, as well as creating a warm and welcoming place for the public," Mr. Yamanaka says.

Commenting on one of the largest direct investments by a foreign company in the Japanese market, Mrs. Mio Kawada, Director-General of Invest Japan Department at Japan External Trade Organization (JETRO) says, "We are very pleased that Bosch, the world's leading supplier of automotive components, has decided to make a major investment in the construction of a new R&D facility in Tsuzuki Ward, Yokohama. It is expected that the facility will enable Bosch to work even more closely with Japanese automakers to promote further technological and economic development."

## Strengthening development capabilities in Japan

The automotive industry is undergoing a period of transformation marked by the megatrends software, electrification, automation, connectivity and personalization. Bosch is one of the world's leading providers of mobility solutions with a broad technology portfolio in all these areas. The new R&D center in Tsuzuki Ward, Yokohama strengthens the development of integrated solutions that transcend the framework of business divisions and bring together Bosch's broad range of technologies. By building a new R&D facility in the home ground of Japanese automakers which lead the global automotive market, it will make it possible to build stronger relationships and closer collaboration with customers, resulting in more tailored solutions, better product adaptation and shorter development lead times.

The new facility will bring together Bosch divisions and subsidiaries in areas such as vehicle control, safety systems, driver assistance/automated driving, HMI (Human Machine Interface), in-vehicle electronic components, vehicle software, connected services, engineering and automotive aftermarket. The facility will consolidate the eight offices currently scattered in the Tokyo-Yokohama area. In addition to Mobility Solutions, a division and group companies of Industrial Technology, Consumer Goods, and Energy and Building Technology sectors will also move into the new facility. The relocation is expected to be completed by December 2024. The new facility is located just about two kilometers from the current R&D facility established in 1990 in Tsuzuki Ward, Yokohama and about a five-minute walk from Center Kita Station. It will have seven floors above ground and two floors below, with a total floor area of 53,000 square meters, including test facilities, office functions and collaboration and workshop areas to enhance creativity. Approximately 2,000 associates of the Bosch Group are expected to move to work at the facility. The facility will also be able to accommodate the future increase in personnel in advanced technology areas such as software and AI. Meanwhile, the current R&D facility in Tsuzuki Ward will continue to be used for powertrain related research and development as well as home to Bosch's global headquarters for the two-wheeler and powersports business. The powertrain-related research and development will also be continued at the existing development site in Higashimatsuyama City, Saitama Prefecture.

In addition, the company will build the Ward Cultural Center, on the premises of the facility, based on the specifications set by Yokohama City, since the company had been selected as the prospective project partner by the "the project to utilize the planned site for the development of a Ward Cultural Center in Tsuzuki Ward, Yokohama City" in 2018. The Ward Cultural Center will have four floors above ground and one floor below. It will have a hall with approximately 300 seats on the second floor, and a gallery and a rehearsal room and others on the first floor. The building will feature a seismically isolated structure that is resistant to disasters and will also incorporate a barrier-free design to ensure safety and comfort for all visitors and those present at the facility. The building is scheduled to be open by the end of fiscal year 2024 (March 2025), after the construction has been completed in September 2024 and sold to Yokohama City.

## Initiatives to create a lively local community

With the concept of "creating a cultural hub of the future through a fusion of the historic culture of Tsuzuki and Bosch as a global technology company," Bosch will realize a synergistic effect between the new facility and the Ward Cultural Center that will lead to invigorating the local community.

In 2015, Bosch opened "café 1886 at Bosch," a brand communication hub with a showroom on the first floor of its headquarters in Shibuya, Tokyo. And through this public-private partnership project, Bosch will engage with the public on a grander scale. The "café 1886 at Bosch" will also be opened on the ground floor of the new facility for the general public, as well as a showroom to introduce the latest Bosch products, services, information and concepts, introducing the company's history, present and future initiatives. In addition, an all-weather plaza will be created between the Bosch R&D facility building and the Ward Cultural Center, which will allow for local events to be held such as the annual German Christmas Market held in Tsuzuki Ward every December. Furthermore, the company will plan to hold events throughout the year that not only visitors to the Ward Cultural Center but also the general public can enjoy.

## New R&D facility embodies Bosch's commitment to sustainability

Bosch achieved carbon neutrality worldwide in the spring of 2020, as the first global operating industrial enterprise. The group is working now on reducing emissions generated along its supply chains and during the lifecycle of its products by 15 percent by 2030.

The new facility will also embody Bosch's commitment to sustainability by employing many of the company's technologies and initiatives that make the most of natural resources. Bosch is currently developing stationary fuel cell systems (SOFC: Solid Oxide Fuel Cell) which can be operated with various energy sources from city gas (natural gas), bio gas to hydrogen on a global scale, and plans to install city gas-based SOFC systems in the R&D facility as a pilot project. This is the first time the Bosch Group has decided to introduce SOFC systems at a location in the Asia Pacific region. When the facility opens in 2024, a SOFC system will be installed to demonstrate its capabilities, with a view to expand up to several hundred kW in 2026. When operating SOFC systems with city gas in Yokohama area, a 20 percent reduction of CO<sub>2</sub> emission and electricity costs, respectively, will be expected, compared to the power provided by a typical thermal power plant.

The R&D facility also features an automatic ventilation system that uses Bosch sensors to automatically open and close windows, and louvers installed on the windows to reduce the total power demand for cooling and mechanical ventilation, as well as reuse rainwater for efficient use of water resources.

While Tsuzuki Ward has evolved over the years as a livable urban development, it is also an area that is rich in nature preserved through the "Green Matrix System," an urban plan that links forests, waterfront areas, and historical heritage with greenways. The site of the new facility and the Ward Cultural Center will also be landscaped with plants and greenery to provide a relaxing space for visitors.

# [Facility Overview]

## R&D facility of the Bosch Group

Location :	1 and 2-9-1 Nakagawa Chuo, Tsuzuki-ku, Yokohama-shi,
	Kanagawa
Structure:	Steel construction (partially reinforced concrete and steel-
	framed reinforced concrete)
Floors:	7 floors above ground, 2 floors below ground
Site area:	12,036.66 square meters
	(including Tsuzuki Ward Cultural Center area)
Total floor space:	53,000 square meters
Design and construction:	Obayashi Corporation
Construction plan:	Construction to be completed in September 2024
	Relocation is planned to be completed by December 2024
Certification:	To obtain A-rank in CASBEE Yokohama building evaluation
	including the Tsuzuki Ward Cultural Center

## Tsuzuki Ward Cultural Center

Structure:	Steel-framed reinforced concrete construction
	(partially reinforced concrete construction)
Floors:	4 floors above ground, 1 floor below ground
Design and construction:	Takenaka Corporation
Construction plan:	Construction to be completed in September 2024
	To be open by the end of fiscal year 2024.
Certification:	Same as above

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Bosch in Japan is currently represented in the country by Bosch Corporation, Bosch Rexroth Corporation and other affiliates. Bosch Corporation is responsible for the development, manufacturing, sales and services of automotive original equipment, automotive aftermarket products and power tools. Bosch Engineering K.K. provides engineering services, such as development and application for automotive systems. ETAS K.K. develops and provides engineering of development support tools of electrical control units. Bosch Rexroth Corporation develops and manufactures hydraulics, FA module components and other systems which contribute to industrial technologies. Bosch Security Systems Ltd. provides security and communication products and solutions to help secure the safety of lives, buildings and properties, and is also a supplier of professional sound systems. In 2020, Bosch Japan achieved sales to third parties of some 269 billion yen and employed approximately 6,500 associates.

Additional information is available online at <u>http://www.bosch.co.jp</u> Bosch Japan Website (Japanese) <u>https://twitter.com/Boschjapan</u> Bosch Japan Twitter (Japanese) <u>https://www.facebook.com/bosch.co.jp</u> Bosch Japan facebook (Japanese and English) <u>https://www.youtube.com/boschjp</u> Bosch Japan Youtube (Japanese) The Bosch Group is a leading global supplier of technology and services. It employs roughly 401,300 associates worldwide (as of December 31, 2021). According to preliminary figures, the company generated sales of 78.8 billion euros in 2021. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT provider, Bosch offers innovative solutions for smart homes, Industry 4.0, and connected mobility. Bosch is pursuing a vision of mobility that is sustainable, safe, and exciting. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to facilitate connected living with products and solutions that either contain artificial intelligence (AI) or have been developed or manufactured with its help. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiary and regional companies in some 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. With its more than 400 locations worldwide, the Bosch Group has been carbon neutral since the first quarter of 2020. The basis for the company's future growth is its innovative strength. At 128 locations across the globe, Bosch employs some 76,300 associates in research and development, of which nearly 38,000 are software engineers.

Additional information is available online at <u>www.bosch.com</u>, <u>www.iot.bosch.com</u>, <u>www.bosch-press.com</u>, <u>www.twitter.com/BoschPresse</u>.

Note: one Euro = 129.8855 JPY (Calculated using the average rate in 2021)