

Bosch Group Annual Press Conference in Japan 2026

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Christian Mecker, President and representative director of Bosch Corporation

Good morning, everyone. Thank you for joining the Bosch annual press conference today. I'm delighted that we can have this press conference and exhibition again this year.

In July of last year, Bosch completed the acquisition of the HVAC business for residential and light commercial buildings from Johnson Controls along with the Johnson Controls-Hitachi Air Conditioning joint venture. This was the largest acquisition in Bosch history. Our aim for this transaction is to increase Bosch's presence in the United States and Asia, and to further optimize the balance of our business portfolio.

The Bosch Home Comfort Group is also participating in our press conference and exhibition this year. Today we have an opportunity to introduce a wide range of Bosch's businesses in Japan, all in one place: from Mobility to Industrial Technology, Consumer Goods, and Energy and Building Technology. I encourage you to see our initiatives firsthand.

First of all, I'd like to talk about the Bosch Group's business results in 2025. The world economy and the international situation remained unstable in 2025. As a result, it was a very challenging year for the Bosch Group. Global sales of the Bosch Group reached 91 billion euros last year, slightly higher than the previous year. The integration of the HVAC business that we acquired last year has expanded our business portfolio. And it is steadily strengthening our business foundation. Looking ahead, we expect the global economy to grow only at a moderate pace due to the impact of continuing uncertainty. However, Bosch aims to increase the group's sales by 2 to 5 percent in 2026. While facing many challenges, Bosch will demonstrate its innovative strength as a technology leader and pursue growth opportunities in the global markets.

Now, I would like to explain about our business performance in Japan. In 2025, the third-party sales in Japan reached about 460 billion yen. This marks the fourth consecutive year of record-high sales since 2022. This strong growth has been driven mainly by the stable growth of our core mobility business. Last year was particularly strong, as we acquired many new businesses in the software and ADAS domains. Furthermore, our strong manufacturing capabilities made a major contribution to this business growth.

Let me share examples from our Musashi and Tochigi Plant. Both plants have long histories and strong expertise in production of brake and steering products. At the Musashi Plant, we have been producing brake boosters with over 60 years of history, and the total production has exceeded 200 million units. And that is not all. In 2022, we launched a final assembly line for electric power steering and have already produced more than 1 million units to date. Turning to our Tochigi Plant, we have been producing the electro-mechanical brake booster, iBooster, since 2022. And we have now delivered 3 million units to our customers

here in Japan. In addition, the production of our anti-lock brake system (ABS) for motorcycles has surpassed 10 million units since 2009. And just this April, we started operation of our 10th generation Electronic Stability Program (ESP®) production line. These examples clearly show how Bosch's strengths both in hardware and software continue to provide strong support for its mobility business.

Another key highlight is the acquisition of the HVAC business. Last year, Bosch Home Comfort Japan joined the Bosch Group. The integration has created a more balanced portfolio, establishing a robust foundation for stable growth in Japan. In 2026, Bosch will leverage this momentum and expect to expand its sales in Japan.

Now, Ulrich Lissmann, Regional President Asia Pacific of the Bosch Home Comfort Group, is here to introduce Bosch's HVAC business.

Ulrich Lissmann,

Regional president Asia Pacific of the Bosch Home Comfort Group

Good morning, everyone. Today, I would like to give you an overview of Bosch's global HVAC business.

As Christian mentioned earlier, Bosch has entered a new phase with the largest acquisition in its history in the HVAC business. With this integration, the Bosch Home Comfort Group almost doubled in size to about 24,000 associates. We now have more than 50 locations of international production and development network. In addition, we have expanded the Bosch Home Comfort Group's products and brand portfolio. It now covers the full range of solutions from residential to commercial use. Today, the portfolio of Bosch's HVAC brands includes our European brands, Bosch and Buderus, as well as York in the USA and Hitachi in Asia. As a result, Bosch is now a leading company in the HVAC industry.

Furthermore, according to Bosch's forecast, sales of air conditioning units worldwide are expected to increase to more than 200 million units per year by 2030, nearly 20% higher than in 2024. Driven by factors such as global warming, demand will continue to increase in the coming years.

However, air conditioning technology needs differ by region. For example, in many regions of Asia, both cooling and heating solutions are required due to the high temperatures and humidity. In particular, there is high demand for ductless solutions, which offer individual control of the heating and cooling functions of indoor units in each room. In the USA, systems are mainly ducted solutions. The air is passed through ducts from a central location in order to heat or cool all rooms simultaneously. In Northern and Western Europe, electrification through heat pumps and other technologies is already established, and water-based heating systems dominate. In the Middle East and Africa, demand is

particularly high for air-conditioning solutions and water heaters. There is also a strong focus on cost-effective products. To address these diverse regional needs, the Bosch Home Comfort Group offers a broad portfolio of solutions tailored to local markets around the world.

Among these regions, Asia Pacific plays a particularly crucial role in driving both innovation and growth potential. Especially in ductless solutions for residential and light commercial buildings hold tremendous growth potential, not only in Asia, but in other regions as well.

Moreover, the Bosch Home Comfort Group in Japan has three key assets; first, the Hitachi brand and Shirokuma-kun product brand with long history. Second, our engineering capabilities enable us to develop high-performance products tailored to meet specific customer needs. And third, our advanced manufacturing technology that deliver high-quality HVAC products. The Bosch Home Comfort Group's Asia Pacific regional headquarters is located in Japan. With these strengths, Japan is an important base that will lead the growth of the Bosch Home Comfort Group not only in Japan, but also in Asia and globally.

Currently collaboration within the Bosch Group in Japan has been active. Our R&D teams are actively exchanging knowledge, and initiatives such as mutual factory visits are strengthening synergies across the group.

Looking ahead, we will leverage our global expertise along with our ability to meet local market needs to provide high-quality and high-performance products to meet the needs of customers around the world.

These strengths are also essential factors for Bosch's mobility business. To introduce the latest technologies in mobility business, I would now like to invite Matsumura-san. Thank you.

Takao Matsumura, Executive vice president and director of Bosch Corporation

We are leveraging our worldwide business network to provide local support for Japanese automakers with global-scale business operations. Today, I would like to introduce four of Bosch's global strengths.

The first is an example of using AI. In Japan, we are currently developing an AI-powered cockpit that is optimized for Japanese end users. This is a system that personalizes the cabin experience of drivers and passengers. It is being designed to work in close coordination with the infotainment system, ADAS, and each vehicle domains. It works not as a simple voice-operated interface, but as a solution that harmonizes the experience across the entire vehicle. The AI-powered cockpit functions as a proactive partner,

anticipating user needs and adapting to them. The system does not require a wake word to activate. It understands the driver's routines, preferences, and status, and acts as an intelligent, self-learning partner. For example, imagine a passenger says, "it's getting a bit warm, isn't it?" The system understands this kind of casual conversation and instantly activates the air conditioner to adjust the temperature inside. It communicates almost like a well-matched travel companion. Moreover, in Japan, we are originally developing this technology that incorporates the concepts of "間" (ma: timing) and "場" (ba: situation), which are deeply rooted in Japanese culture. A vehicle cabin is a place for driver and passengers to share time and space. It is essential to consider the flow of conversation and the situation. To respond to this, Bosch's AI-powered cockpit will avoid behaviors commonly seen in voice assistants, such as suddenly interrupting people's conversations. Instead, it enables natural conversation that matches the context and situation by listening to the ongoing conversation. We are also making progress on handling Japanese regional dialects, as we develop the system as an AI that is close to natural spoken Japanese. When the driver wishes to relax and enjoy hands-free driving, the system provides supports by activating ADAS functions such as Point-to-point Navigation at the appropriate timing.

The second topic I would like to introduce is Vehicle Motion Management; we are developing with a focus on the era of software driven mobility. Vehicle Motion Management is a comprehensive software system solution integrating control of multiple actuators for vehicle motion, such as brakes, steering, powertrain, and suspension. So far it has been adopted by more than 20 automakers. Last year, we introduced several motion features from Vehicle Motion Management software: personalization feature, which sets the driving mode according to driver preference and scenario, comfort stop feature, which automatically controls vehicle body motion during stopping to support gentle braking for passengers, and easy turn assist feature, which reduces the need for frequent steering input during U-turns.

With Vehicle Motion Management, we are constantly focused on the development of new features that respond to evolving end user needs. Moreover, today, we are announcing a new feature called, cruise control off-road feature. This feature uses software to enable optimal control of driving and braking force on off-road surfaces such as mountain roads, rocky terrain, and unpaved roads, even without pedal input from the driver. It reduces rocking on harsh off-road surfaces and enables stable driving. We anticipate strong demand for this feature, particularly in markets like North America, Australia and ASEAN where off-road driving is a way of life. The development is currently underway with close collaboration between Bosch's teams in Japan, Australia, and North America. This demonstrates our strong commitment and capability, here in Japan, to support our Japanese customers' vehicle development for the global market.

The third example is ADAS. Bosch is currently conducting demonstration testing in Japan

for Point-to-point Navigation, an ADAS solution that we have developed in China. Point-to-point Navigation is a driver assistance function: once a destination is set in the onboard navigation system, the driver assistance feature supports driving to a destination including automatic lane changes along the planned route. Bosch has jointly developed this system with the Chinese company WeRide Technologies. We are already providing this Point-to-point Navigation function to customers in China, and vehicles equipped with this function have already been introduced to the market there. The function is able not only to handle lane changes, but also to drive through intersections and pedestrian crossings with minimal driver intervention. Even under complex urban traffic environment, the system can perform human-like automated driving.

In Japan, we started test driving of Point-to-point Navigation around Yokohama this May. We are collecting data on city traffic under Japan's actual traffic conditions and demonstrating validation testing. I had a test drive the other day and experienced the smooth steering changes and safe driving. I was truly amazed by how human-like the driving experience can be with this ADAS technology.

Through collaboration with Chinese companies, Bosch is able to develop solutions that keep up with the speed of development in China. Today, we are displaying this test vehicle in front of the entrance. I hope you will take a look. Bosch also proposes solutions in Japan, including test-drive opportunities, to deliver a wide range of advanced ADAS technologies to Japanese customers operating in the global market.

Bosch's global strengths extend beyond the development of the cutting-edge technologies. The final example showcases our initiatives in the field of internal combustion engines. Over many years, Bosch has built a record of achievements in a wide range of technology domains including fuel injection systems and material technologies for both diesel and gasoline engines. These technologies and knowledge have earned the deep trust of our Japanese customers and remain an important strength for Bosch today. Our core strength lies in our development and production systems that leverages these proven technologies, while adapting to the market characteristics and regulatory requirements of each region. In Brazil, for example, it is essential to support Flexible-fuel Vehicles (FFVs), which can operate on multiple fuels, including ethanol. In Brazil, Bosch conducts local development of vehicle features, including systems and ECU for FFVs, and has established local production capabilities, strongly supporting the local development and production strategies of Japanese customers. In India, the use of Compressed Natural Gas (CNG) is expanding as an air pollution countermeasure and a response to rising energy prices. In developing alternative fuel systems like this, Bosch not only provides CNG-compatible components, but also has built a development structure where Japanese and local engineering teams work together on evaluation, simulation, and software development. Bosch has been recognized for its ability to continue utilizing proven technologies and talent associated with

internal combustion engines at the local level. As a supplier with a global development structure, we are supporting Japanese customers with global business operations. At Bosch, we see the use of alternative fuels as a key solution to reduce CO₂ emissions, and we are actively promoting it on a global scale, including here in Japan. Even in the field of alternative fuels, where regional differences often emerge, Bosch has the technological capability and experience to handle any type of fuel, and we will steadily strengthen our contribution for a carbon-neutral future.

As I have shown, Bosch is providing a wide range of solutions, from software-driven mobility features and ADAS, to next generation vehicle fuels and components for realizing a carbon neutral society, while leveraging AI.

At Bosch, functions such as infotainment, ADAS, and motion are currently being developed in respective domains. However, in the future, these functions will be seamlessly connected to deliver a smarter, safer, more efficient, and more personalized mobility experience for end users. This is what Bosch defines as software-defined mobility.

This kind of cutting-edge innovation is only possible with an understanding of advanced technology and trends on a global scale combined with local expertise. Today, we are actively recruiting engineers in Japan and expanding the number of associates who possess both of these qualities. This demonstrates our ongoing development of cutting-edge innovation in Japan. Bosch will continue to recruit people with diverse experiences and expertise as we strive to continue growing as a company.

In this way, Bosch provides optimal solutions that leverage its worldwide network locally to Japanese customers operating global businesses. However, what is important to Bosch is not only the lives of our customers and end users around the world. Since we have relocated our corporate headquarters, we have also remained committed to our local community here in Yokohama.

To conclude today, Christian will talk about our initiatives as a company.

Christian Mecker, President and Representative Director of Bosch Corporation

It has already been two years since we moved our corporate headquarters to here in Yokohama. One year has passed since the opening of Bosch Hall next to this building. I am delighted to see that Bosch Forum Tsuzuki is full of people and lively activity.

However, our commitment to our community goes further than this. The Yokohama City is currently planning to develop a public plaza space beneath the elevated railway, which is located between Center-Minami and Center-Kita stations, next to Bosch Forum Tsuzuki. Bosch has been selected by Yokohama City Transportation Bureau as a project partner to

develop a plaza space, and preparations are currently underway. The plaza space is designed as an open and welcoming area where people can gather and where anyone can spend time. Construction is scheduled to be completed by the end of this year, with the opening planned for the next year onward.

Furthermore, a brewery restaurant offering an authentic German atmosphere is scheduled to be open next to café 1886 at Bosch on the ground floor of our corporate headquarters after the winter of 2027 onward. The restaurant will feature its own brewing facilities and will serve freshly brewed, in-house beer. The concept is inspired by the culture and history of Germany, which is closely connected to our founder, Robert Bosch. We believe this restaurant will also fit well with Tsuzuki Ward, which has strong ties to Germany.

At Bosch Forum Tsuzuki, various events such as concerts and markets are held on a regular basis. In addition, café 1886 at Bosch already attracts a large number of visitors on a daily basis. Looking ahead, with the opening of a public plaza space beneath the elevated railway, we expect more people to come and go between Center Kita Station and Center Minami Station. This will create new opportunities for people to enjoy parks and sports. Furthermore, with the addition of the brewery restaurant, we are confident that we can further contribute to enhancing the vibrancy of the local community.

Today we have introduced a wide range of solutions that Bosch offers in Japan, from the business of the Bosch Home Comfort Group to the latest technologies for customers operating in the global mobility market. However, the technologies and solutions that Bosch provides are not limited to these examples. At today's exhibition, 17 business divisions and affiliated companies are participating with booths. They cover everything from the mobility business, including four-wheelers, two-wheelers, software, and semiconductors, to industrial equipment, air conditioning, consumer goods, HR and DX strategies. We are also holding seminars here to help you understand more about what we do. I highly recommend that you speak directly with our associates at the booths.

This year marks a special milestone at Bosch. We celebrate the 140th anniversary of Bosch, which was founded in 1886. We also celebrate the 115th anniversary since starting our operations in Yokohama in 1911. Since its founding, Bosch has been a company with a long history, yet we have consistently adapted to the changes of the times and continued to evolve. This approach embodies our corporate slogan, "Invented for life." Looking to the future, Bosch will continue to combine the power of our global expertise with our deep local commitment, driving technological innovations that truly enriches people's lives.

Thank you for your attention.

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