

Completion of Bosch's headquarters and Tsuzuki Ward Cultural Center in Yokohama, Japan

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at the press conference on September 6, 2024

Check against delivery.

[Tanja Rückert]

[Japan is an important market for Bosch]

Kon-nichi-wa, everyone, and welcome! Today is the day we celebrate the completion of the new Bosch headquarters in Japan and the Tsuzuki Ward Cultural Center. We are very pleased with the new office, and it is a great honor for me to be here on this memorable day.

I walked through this new headquarters yesterday and want to point out some of the highlights I am especially proud of.

First, the sustainability perspective. Taking measures to protect the environment and climate is a top priority for Bosch. That's why we integrated various technologies into the new building to save energy and enable the use of natural resources – for example with solar panels, louvers on the windows, and through the use of rainwater. Also an automatic ventilation system using our sensors. During the office tour after the press conference, we will show you some examples of these energy-efficiency measures at our new headquarters.

Second, the digital perspective. In the construction process of Bosch's new headquarters and Tsuzuki Ward Cultural Center, we used the digital twin technology for the first time in Japan. From planning to design and construction, various real-world data related to the buildings such as information on infrastructure and cable ducts, were reproduced in the virtual world on a computer. This enables the optimization of the construction process and the simulation of repair work. The digital twin was also especially helpful in moving the project forward during the Covid-19 pandemic, when many staff members worked remotely.

As you can see, I am very proud of our new energy-efficient and state-of-the-art headquarters here in Yokohama – it is a perfect match for a tech-savvy country like Japan. However, there is more to this project than just the

construction of the new headquarters. With this project, Bosch also embodies our commitment to Japan for our customers and the local community.

In 2018, Bosch was selected by Yokohama City as a prospective partner for a very special “project to utilize this planned site for the development of a Cultural Center for Tsuzuki Ward, Yokohama City.” Since then, we are proud to be officially accepted, and have been working to complete our new headquarters office and the Tsuzuki Ward Cultural Center on this site. Interestingly, this project marks the first public-private partnership project for the Bosch Group globally, which integrates Bosch locations with local facilities. I would like to take this opportunity to express my gratitude to the City of Yokohama for trusting in Bosch and selecting us as their project partner. And I am also extremely appreciative to everyone who has assisted us in the project and to the people of Tsuzuki Ward for accepting Bosch with such welcoming arms.

So, we are very honored to partake in this project with Tsuzuki and Yokohama City. Our mission is to continue to work side-by-side with the local government, to create an exciting and engaging environment that serves the local community and the people in it. It is a testament that we remain committed to the Japanese market, and the communities in which we operate – and thus continue our 113-year journey in the country. As a company with deep historical roots in Japan, we hope to continue to be a business loved by the people of Japan.

Japan has been and is a very important market for Bosch. We started our operations in Japan in 1911, here in Yokohama. Since then, we have been expanding our presence in Japan and have contributed to the development of the Japanese industry in a wide range of fields, from power tools to industrial equipment, and especially in the field of mobility. And Bosch has continuously supported Japanese automakers, which account for 30% of global vehicle production.

Japan continues to develop with innovation and technology. And in recent years, Japanese automakers have continued to evolve, with a focus on software-defined vehicle. Bosch will continue to contribute to the development of the Japanese industry by providing comprehensive solutions to meet the diversified needs of our customers in Japan.

Now, I would like to invite Klaus Meder to tell you more about what is coming next for Bosch in Japan.

[Klaus Meder]

[The future development by Bosch]

Thank you very much, Tanja. Thank you all for coming today. I am very happy that we can finally show you all our new headquarters.

In fact, the construction of the new headquarters was completed first, so we relocated here in May of this year, and have been operating here since then. With the relocation, about 2,000 of our associates have gathered from eight locations throughout the Tokyo-Yokohama areas to work together. What I have seen here in the last three months is that communication among associates has become highly active everywhere. This is not only in the office areas, but also in the cafeteria and the communication zones in the center of the office floors. I can say that the office design, which aimed to stimulate more communication and engagement, is a success.

In addition, Bosch in Japan currently has associates from about 40 different countries and regions. This led us to design this new headquarters with diversity, equity, and inclusion in mind. For example, we have universal design restrooms on all floors. We also have installed a nursing room for our associates as well as a multi-purpose room that can be used as a prayer room. With these features, the office environment was designed to make it a great place to work for our associates.

Globally, Bosch realigned its mobility business this year to better meet the needs of the rapidly changing automotive industry. For example, the vehicle motion division is a merger of two divisions, and now deals with vehicle dynamics from ABS and ESP to steering. Team members who had previously worked in different business units now work more closely together to advance development. It is very meaningful that we were able to move into a new location that facilitates active collaboration at this time. By consolidating the reorganized divisions into the new headquarters, along with the existing R&D facility in the same Tsuzuki Ward, the collaboration across divisions will be improved. And the development structure in Japan will continue to be further strengthened. This will enable Bosch in Japan to continue growth and better serve our customers.

In addition, we have now completed construction of the Tsuzuki Ward Cultural Center on the same premises. I am pleased that the construction has been finished as planned based on the specifications set by Yokohama City. The newly completed Tsuzuki Ward Cultural Center has a hall with about 300 seats for concerts, a rehearsal room, and a gallery. I have heard that the residents of Tsuzuki Ward have been waiting for such a facility for many years. Under a naming rights contract with Yokohama City, the Tsuzuki Ward Cultural Center has an official nickname, “Bosch Hall” and is scheduled to open in March 2025.

It gives me great pleasure to celebrate the new Bosch headquarters and the Tsuzuki Ward Cultural Center today. On a personal note, I will be stepping down from my role as president and representative director of Bosch Corporation at the end of this month. Ever since I was appointed to this position in 2017, I had hoped to build a new location to consolidate our scattered offices, so that we could respond more quickly to our customers’ needs. Japan is an important market for Bosch. And we have a responsibility to support it. In order to fulfill that responsibility, it is important to collaborate beyond the boundaries of business divisions and group companies. As I retire, I am full of hope that with the completion of this new headquarters,

Bosch in Japan will become even stronger and see growth well into the future.

Effective October 1, the current executive vice president, Christian Mecker, will succeed me as president and representative director of Bosch Corporation. He has been in his current position since 2020 and is already very familiar with the Japanese automotive market. In addition, he has been leading the mobility business as president of Bosch Mobility South and East Asia sector board, which started in January this year as our mobility business was realigned. I am convinced that he will continue to lead Bosch in Japan, as well as our customers here, to success.

From here, I will hand over to Christian Mecker to explain the development system at the new headquarters.

[Christian Mecker]

[Strengthening development in Japan]

Thank you, Klaus. Hello everyone. I would like to offer a warm welcome to you as well. Let me explain the new setup of our R&D work in Japan.

In 1990, Bosch built a R&D facility in Ushikubo, Tsuzuki Ward, about two kilometers from here. I think that some of you here today have visited our Ushikubo office for interviews or events in the past. And we have now completed our new headquarters with R&D capabilities in the same Tsuzuki Ward. More than 40 percent of the Bosch Group associates are now consolidated in these two facilities.

In the mobility market, automotive engineering has developed rapidly in recent years. We need to respond to trends such as electrification, automation, as well as software-defined vehicles. That is why, at Bosch we are strengthening our R&D capabilities at this new facility. The new headquarters has large-scale experimental and research facilities called

“Heavy Labs” on the first and second basement floors. Small and medium-sized facilities called “Light Labs” are on the second to fourth office floors.

By expanding and installing new testing equipment, we have set up a structure to respond quickly to the ever-changing diverse needs of our Japanese customers. I will share some examples.

For electrification, we will construct a new semi-anechoic chamber in the basement by the end of this year. The facility is to test how the operating noise and vibration of products mounted in vehicles are transmitted throughout the entire vehicle. In recent years, driving comfort has increased with the improvement of sound insulation and reduced engine noise due to the spread of electric and hybrid vehicles. However, an increasing number of users are concerned about mechanical operating noise in the quiet vehicle cabins. Japanese people, in particular, tend to prefer quietness, therefore testing for noise and vibration is becoming increasingly important.

As a response to automation, we have established a new electromagnetic anechoic chamber for radar measurements required for ADAS: advanced driver assistance systems. Previously, measurements were performed at Bosch sites in Germany and Hungary that have special chambers to conduct tests. However, this meant that it took about one month to report the results to our customers after receiving the samples. But with the new facility in Japan, the time and cost of transporting test parts can be saved.

In recent years more vehicles are becoming connected, and with that, we have more opportunities to make hands-free calls in the car. So, Bosch has installed a new test room called the “Tuning Room” to adjust the call quality in the car from the in-vehicle infotainment system. In this tuning room, we connect the development vehicle of the customer to the test equipment and adjust the output of speakers and microphones. We evaluate whether the quality of voice recognition in the vehicle meets international standards and

the standards of automakers. We will show you the inside of this tuning room during the facility tour later.

In addition, we have glass walled labs as well as open labs with no partitions to encourage collaboration and communications among associates. By setting up the labs this way, they can touch test products and check them during the development process.

Our office spaces are also open with no partitions to encourage engagement between different departments and teams. For example, it is easier to check the progress of projects between engineers working in the R&D area and project managers working in the office area. It is also expected that communication between experts in different technical domains work more efficiently in this way. This will further promote cross-domain development. In this way, the new headquarters allows experts who were previously scattered across multiple locations to cooperate and promote R&D, while communicating closely within teams and with other divisions. With the advent of architectures that are consolidated and the arrival of the software-defined vehicle era, the initiative aims to establish a structure that allows different teams developing various functions to seamlessly develop software systems together.

In addition to R&D facilities for automotive development, we have a workshop room for the Power Tools Division on the first floor. Bosch will hold workshops introducing how to use our power tool products to distributors and dealers who sell our products, and professionals who use Bosch's power tools.

As a technology company, Bosch will continue to support Japanese customers in a wide range of fields, from automotive development to consumer products.

Additionally, Bosch will also introduce a variety of initiatives on the first floor of its new headquarters to create a lively and engaging atmosphere and that shows Bosch's commitment to the community. Tomorrow, September 7, 2024, "café 1886 at Bosch" will open. Just like the café we used to have at the former headquarters in Shibuya, it will be open to the public from tomorrow. An original German-inspired menu, including Brezels and Currywurst, will also be available.

We also have set up a showroom to help the public better understand Bosch, our products and our initiatives. Currently, the exhibit features both historical and modern solutions from a variety of divisions, showcasing Bosch's history and latest technologies. One of the exhibits tells the story of Bosch's history and has a replica of the magneto high pressure ignition system, which the company began supplying more than 100 years ago. This was the first technology to reliably ignite the air mixture in an internal combustion engine using a spark plug and is said to have contributed greatly to the automotive industry. In contrast, Bosch's latest powertrain solutions, such as eDM and hydrogen-related products are also exhibited. Later, please look at how the development of our products have evolved.

We plan to exhibit not only Bosch products, but also plan to permanently exhibit items related to Tsuzuki Ward by collaborating with the Yokohama History Museum, located close to our new office. Currently, we are exhibiting earthenware from the Yayoi Period, 2,000 years ago, excavated from the land where this facility was built here in Tsuzuki. If you will join us for the facility tour later, please take a look at this exhibition.

Also on weekends, we plan to rent out this large conference room with a permanent simultaneous interpretation booth and large monitor, as well as some small and medium-sized meeting rooms, to the public for a fee. This is to promote cultural exchange and revitalization of the community. This entire area, including the Bosch Hall, the first floor of new Bosch headquarters, and the all-weather plaza located in between, is an open facility that can be used

seamlessly by local residents as well as the general public. In the future, Bosch will plan and implement various events and programs throughout the facility in close cooperation with the designated management company for Bosch Hall.

Bosch will continue to enhance its collaboration with Tsuzuki Ward to foster a vibrant and lively community.

Please enjoy the facility tour of our new Bosch headquarters starting from 11 o'clock, after the Q&A session.

Thank you very much for listening.

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