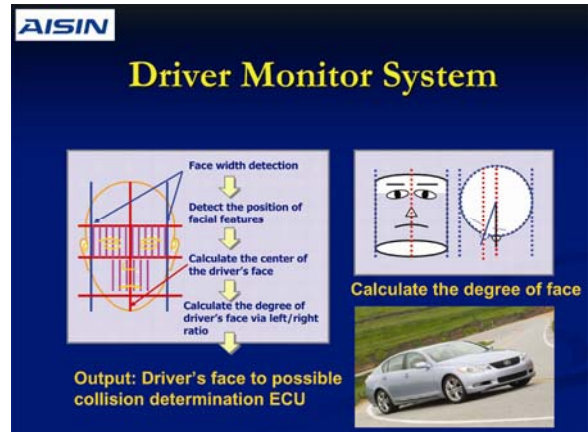


Aisin Group Forecast and Driver Monitoring Technology

During SAE, the Aisin Group said that it expects its global consolidated sales for fiscal year 2005 (which ended on March 31, 2006) to increase by 12% over FY 2004, reaching \$18.9 billion. In North America, Aisin Group sales performance is expected to reach \$3.3 billion for FY 2005, a 33% increase over the same period a year ago. Most of the North American growth came from General Motors – transmissions for the Pontiac Solstice and Torrent, and Chevy Equinox, as well as an increase in sunroof business for GM's 2007 large SUV platform.

In addition, Aisin introduced a new Driver Monitor System which, through face recognition technology, detects the correct and incorrect position of the driver's face within a vehicle.

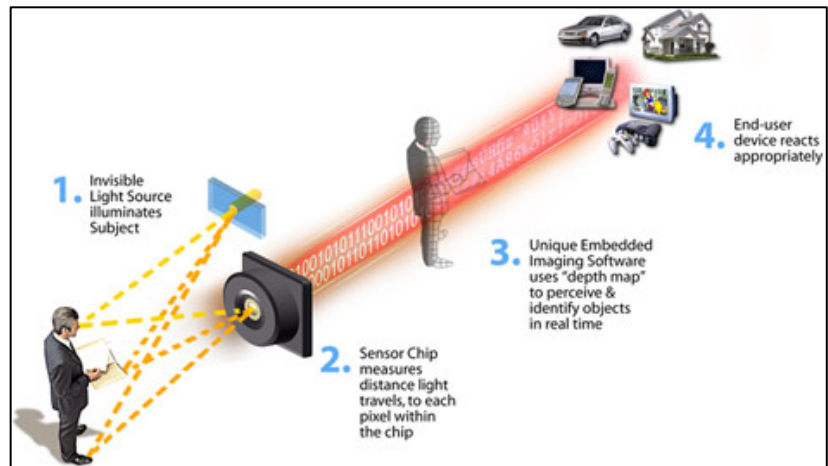


❖ **This is the driver monitor that is part of Toyota's Pre-Crash Safety System which will be available first on the 2006½ Lexus LS-460. Extension to GS and IS models is likely.**

Coollest Development at SAE – Canesta's "Vision on a Chip"

Electronic perception technology is Canesta's patented, low cost technology that permits electronic devices to "see" in three dimensions in real time. Electronic perception technology permits devices to perceive and react to objects and people in the nearby environment in real time, using low-cost, high-performance, embedded sensors and software.

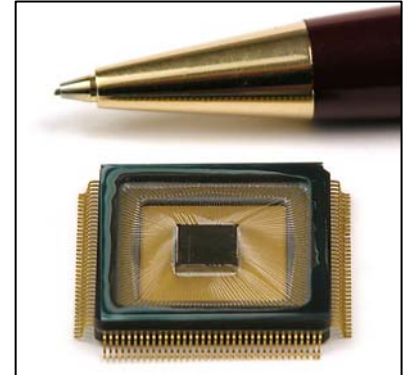
What sets electronic perception technology apart from classical "computer vision" applications is that actionable information can be developed in real time by observation of the nearby environment utilizing an ultra-low-cost sensor technology that is a size comparable to that found in nature.



Canesta illuminates a scene containing various objects with infrared light emitted with precise pulsations. The light illuminating each individual pixel in an image sensor comes from a different feature in the scene being illuminated. Determine the amount of time that light takes to reach each pixel and return and it is possible to calculate the exact distance to that feature to develop a three-dimensional "relief" map of the surfaces in the scene.

In three dimensions, objects previously indistinguishable from the background "pop" out. This is very helpful in reducing the mathematical and physical complexity that is characteristic of traditional computer vision.

The chips work similarly to radar, where the distance to remote objects is calculated by measuring the time it takes an electronic burst to make the round trip from a transmitting antenna to a reflective object and back. The result is an array of "distances" that provides a mathematically accurate, dynamic "relief" map of the surfaces being imaged. The image and distance information is then handed off to an on-chip processor running Canesta's proprietary imaging software that further refines the 3-D representation before sending it off chip to OEM applications.



- ❖ **Potential near-term applications of Canesta's 3-D viewing technology include occupant detection for "smart" air bags and driver monitoring applications to detect drowsy or impaired drivers.**
- ❖ **Outside the vehicle, natural applications that would benefit from 3-D representations include blind spot monitoring, rear collision monitoring, park assist and perhaps adaptive cruise control (if the range can be extended to 150 meters).**

MobileEye of The Netherlands and Israel uses optical pattern recognition (rather than optical radar) in its "vision on a chip" technologies and has shown an aftermarket forward collision warning and lane departure warning application.

Mobileye's EyeQ Vision system-on-a-chip, including Lane Departure Warning and Vehicle Detection technology are being supplied for Delphi's Advanced Collision Mitigation Systems. The EyeQ vision system will be used for a near-term European automotive application of Delphi's Forewarn vehicle detection system.



Industry News

Bad News for Ford – Jim Padilla is Retiring

Ford's global president and chief operating officer, Jim Padilla, will retire on July 1st. He won't be replaced, rather his function will be performed by a new Executive Operating Committee that will be composed of the company's executive vice presidents – Mark Fields (president of the Americas), Mark Schulz (international president), Anne Stevens (Americas COO), Booth (Ford of Europe and PAG who reports to Schulz) and Don Leclair (CFO). The new committee will be chaired by Bill Ford.

First, it's a shame that Ford will lose Padilla at such a critical time in its turnaround. Jim has exceptional credentials as a turnaround leader. He, along with Sir Nick Scheele, affected a complete turnaround of Jaguar after its acquisition by Ford. Jim then went to South America to straighten out the mess left by the collapse of its Autolatina JV with Volkswagen. He then ran global Manufacturing and Quality and achieved impressive improvements in both. Granted, Mark Fields has charge of the

