

January 2007

HONDA
The Power of Dreams

Introduction to

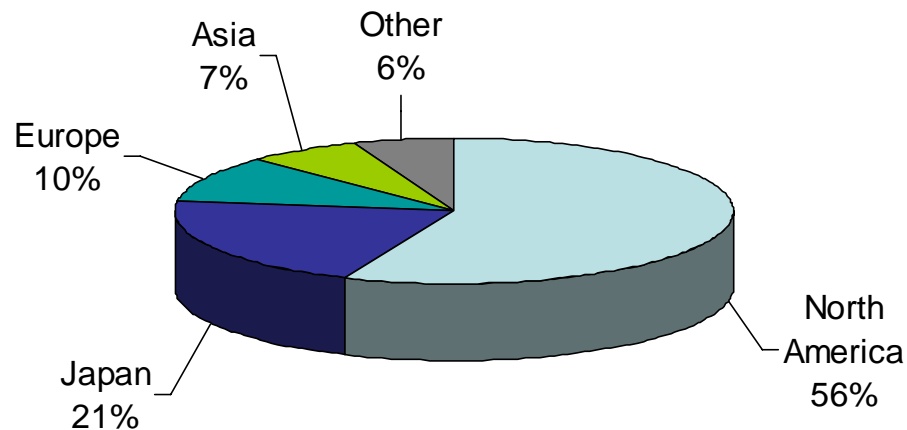


Honda Strategic Venturing

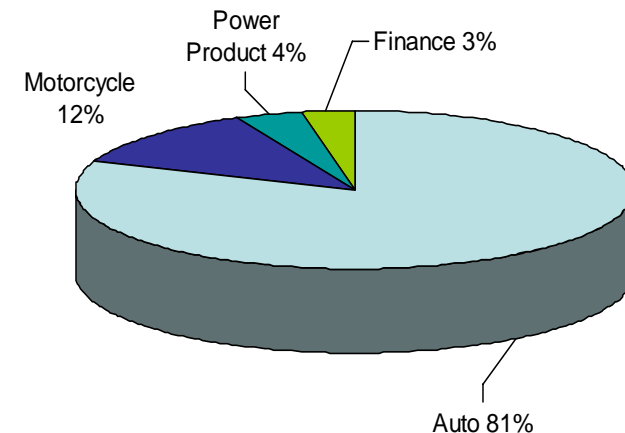
Honda Motor Group



- WW Sales: \$87.7B (FY2005)
- WW Net income: \$7.7B (2005)
- 138,000 employees
- R&D Budget: \$4.5B (5.1% of sales)



WW Sales by Geography



WW Sales by Segment

Honda Value Proposition

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Safety for Everyone

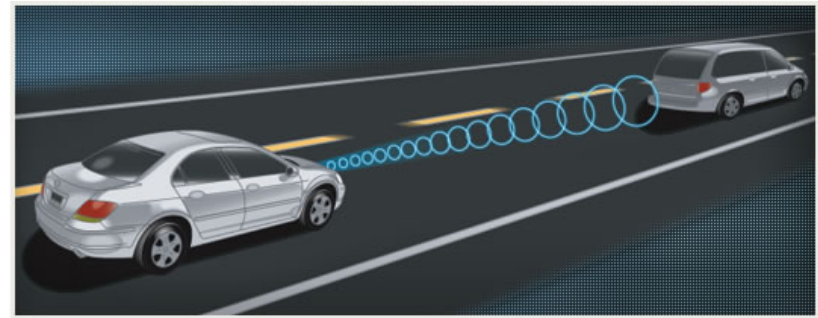


Night Vision

Honda commercialized world's first automobile night vision system to improve pedestrians' visibility. Honda's system is far-IR (thermo image) based which does not interfere with the head lights from opposite traffic.

Adaptive Cruise Control (ACC) with Millimeter Wave Radar

ACC alerts the driver to a potential collision, applies brake to slow down the vehicle.



Vehicle to Vehicle Communication *

Future Honda cars will communicate with other cars and alert drivers if there is a car in the blind corner.

* experimental

Environmental Leadership



Hybrid and Super-Clean Diesel

Civic Hybrid travels 49/51 MPG (EPA). Honda's next generation diesel engine is the first diesel engine that met EPA's Tier II Bin 5 regulation without adding urea.

Bio Energy

Honda proactively pursues fundamental research on alternative energy that serve as the foundation of Honda's environmental leadership.



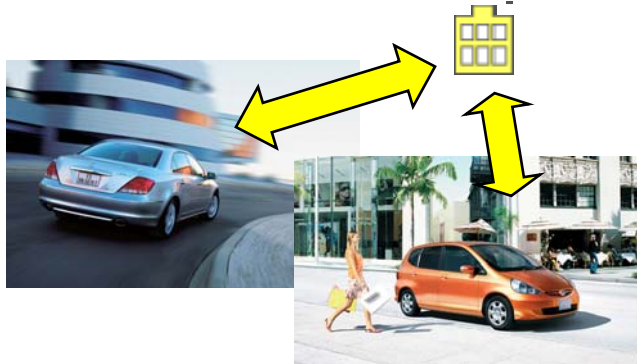
Solar Cells

Honda starts CIGS solar cell manufacturing in 2007 (for Japan market only).

* experimental

Joy of Mobility

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Inter-Navi Probe Car Network

Honda introduced world's first probe car network to gather/broadcast real-time traffic information to connected Honda cars.

ASIMO *

A mobility company by definition, Honda takes great pride in ASIMO, the world's only humanoid robot with the freedom of mobility to run and climb stairs.



HondaJet & Honda Jet Engines

HondaJet is a compact business jet that features far better fuel efficiency, more available space, and higher cruise speed. The HondaJet is powered by two Honda HF-120 engines.

* experimental

Honda R&D Portfolio

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<div></div> <div> Motorcycles</div> <div> ATV</div>	<div><div></div><div> Home Energy Systems</div><div> Watercraft</div><div> Portable Generators</div><div> Marine Engines</div><div> Electric Carts</div></div>	<div><div></div><div> Honda & Acura Automobiles</div><div> Hydrogen Fuel Cell Vehicle *</div></div>		
<div><div> HF118 Jet Engine</div><div></div></div>	<div><div> HondaJet</div></div>	<div><div></div></div>	<div><div> Bio Energy *</div></div>	<div><div> ASIMO *</div></div>

Honda R&D Labs (Japan)



Asaka R&D Center

Motorcycle R&D

- Engine
- Electronics
- Material
- FCV
- HEV



Asaka Higashi R&D Center

Power Products



Wako Nishi R&D Center

Jet Engines



Tochigi R&D Center

Automobile R&D

- Chassis
- Body
- Interior
- Electronics
- Engine
- Material
- FCX
- HEV
- F-1



Wako R&D Center

Automobile Styling



Wako Advanced Research Center

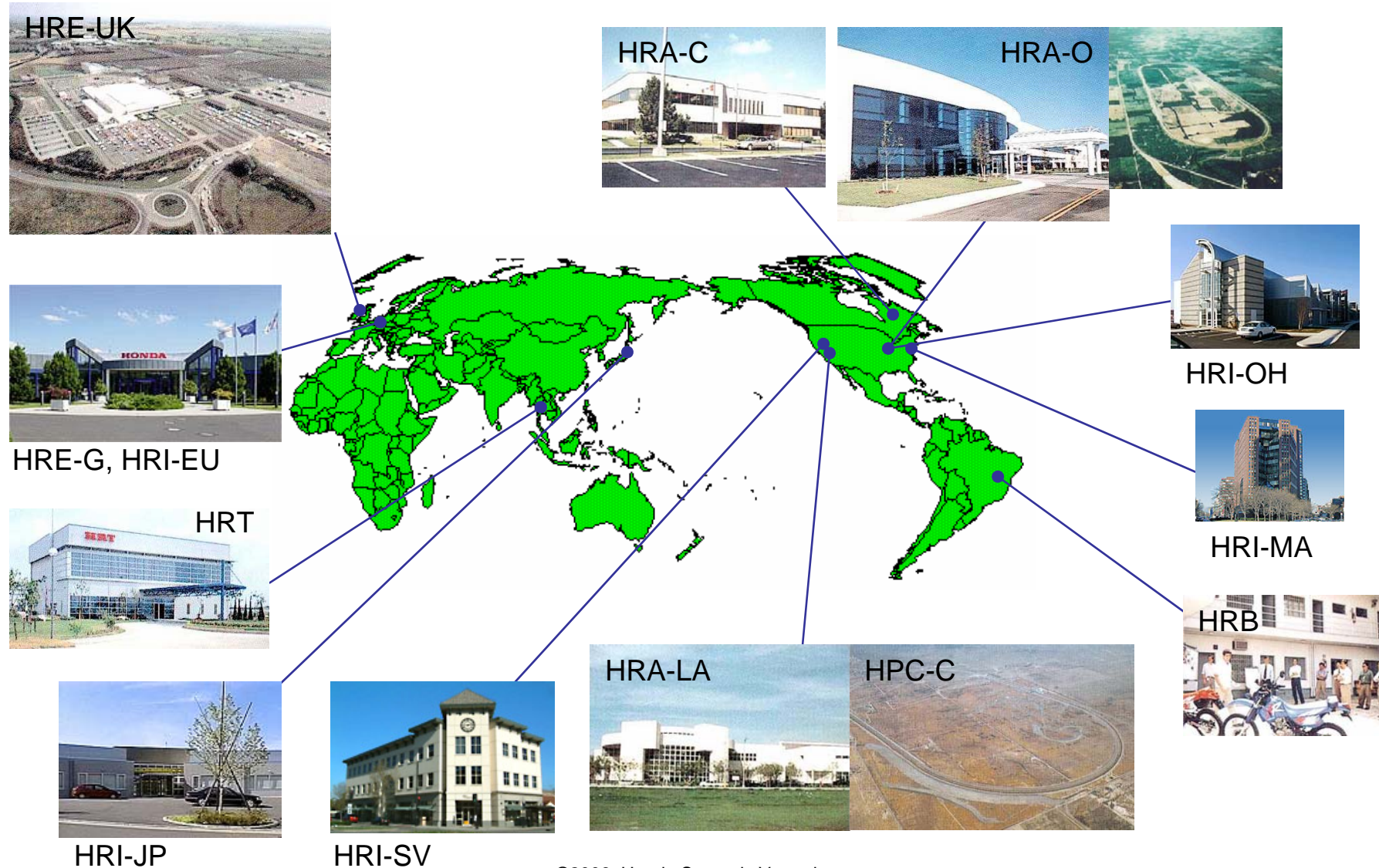
R&D HQ

- ASIMO
- Alternative Energy
- Advanced Materials
- Genome Science
- Jet Aircraft (US)



Honda R&D Labs (Global)

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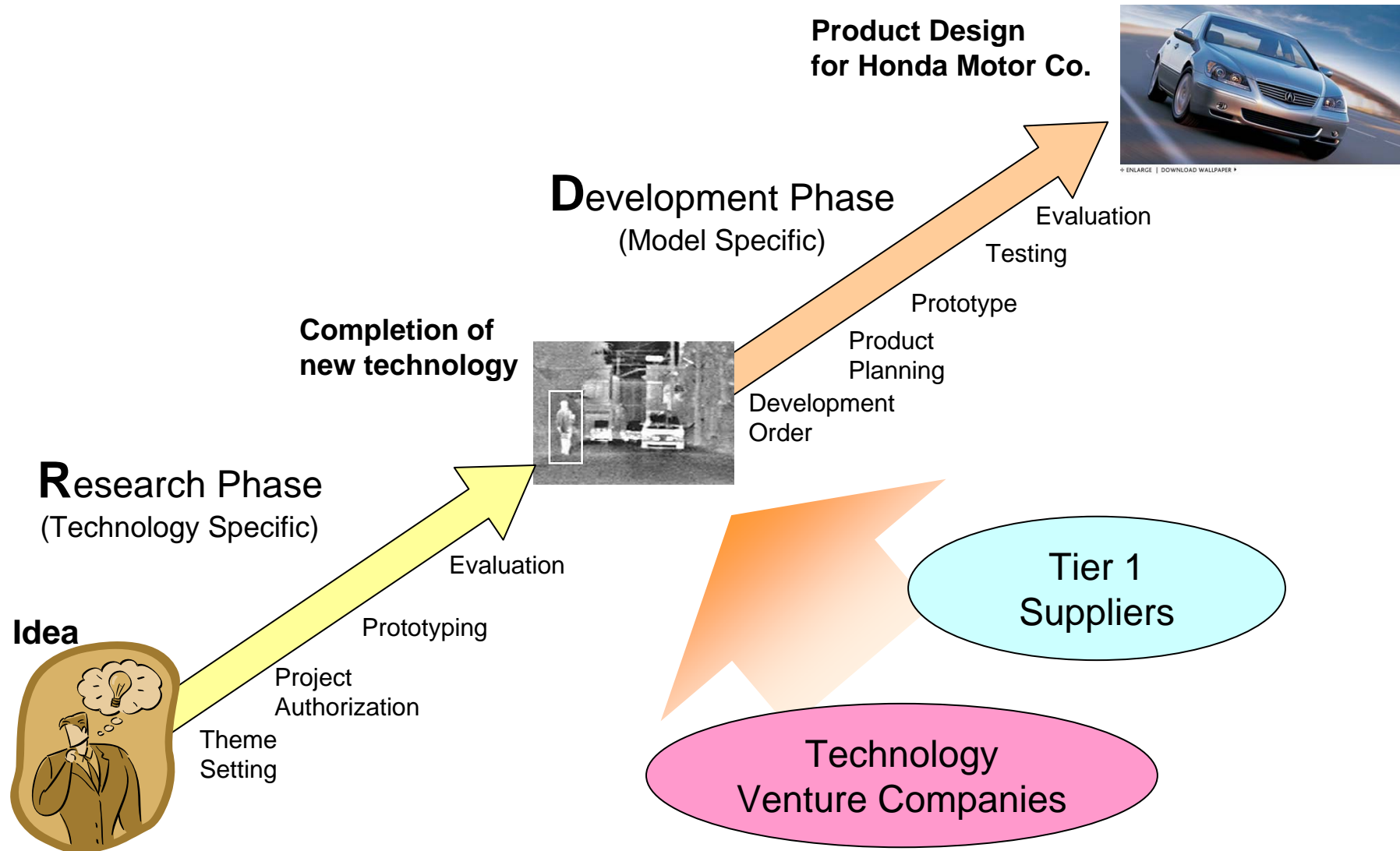
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Collaborative R&D Process



Investment Strategy



- **Target:**
 - Game-changing technologies
 - Technologies that can contribute to Honda's R&D road map
- **Primary Interest: Mutual Strategic Value**
 - We offer:
 - Funding
 - Access to Honda R&D resource
 - Product/Market knowledge/ Joint Development
 - We seek:
 - Board observer rights
 - Strategic commercial rights
- **Investment Size:**
 - Seed- to early-stage: up to \$1M
 - Mid- to late-stage: up to \$10M
 - HSV Fund (Honda's technology venture fund jointly managed with Atrium Capital)
 - Honda Motors direct investment

HSV High Interest Areas



- **Communication**
 - Wireless Communication
 - In-vehicle network
 - Human machine interface
- **Robotics**
 - Sensors, Gyros, Radars
 - Actuators, Motors
 - Image processing, voice recognition
- **Alternative energy**
 - Fuel cell, Fuel reformer,
 - Battery, Capacitor, Bio-fuel, Photovoltaic energy
- **Advanced materials**
 - High performance materials: coating, fabric, rubber, structure, nano-synthesis
 - Functional materials: catalysts, membranes, electrodes