

## To Our Shareholders



Akihiro Wada  
Chairman

Kanshiro Toyoda  
President

In the fiscal year under review ended March 31, 2004, consolidated net sales rose 14.0% to ¥1,605,252 million (US\$15,188 million), marking a record high for sales in the five consecutive fiscal years of growth since fiscal 2000. The chief factors behind this growth were a 14.3% increase in sales in the Automotive Parts and Systems Business, as well as brisk performance in the Life Related and Other Business. Consolidated operating income rose 7.7% to ¥86,768 million (US\$821 million). Consolidated ordinary income increased by 10.5% to ¥84,654 million (US\$801 million), while consolidated net income declined 27.7% to ¥34,719 million (US\$328 million). The key reason for lower income was an extraordinary loss of ¥7,319 million (US\$69 million) recorded in association with recognized actuarial loss on employee pension fund.

As the struggle to survive global competition intensifies, AISIN is amassing its comprehensive Group strengths with the goal of achieving worldwide growth as a major global supplier. To that end, AISIN is aggressively pursuing technological developments that contribute to environment, safety and comfort, and accelerating the release of new products with added value. Moreover, the Group is establishing a global supply network through further expansion of its production structure in the United States, China and Europe in order to expand sales in worldwide markets and acquire new customers.

In addition, as a corporation trusted by society, AISIN will methodically promote environmental preservation activities based on its Environmental Action Plan, pursue corporate citizenship activities closely tied to the community, and conduct internal activities to promote compliance as efforts to achieve growth that is harmonious with the needs of society and to expand the businesses of the Group.

AISIN has set an ROE of 10% as a medium-term goal and will strive to raise shareholder value in the current fiscal year. We ask for your continued support in the term ahead.

July 2004

Akihiro Wada  
Chairman

Kanshiro Toyoda  
President