

Report of Independent Certified Public Accountants

To: The Board of Directors of
Toshiba Machine Co., Ltd.

We have examined the balance sheets of Toshiba Machine Co., Ltd. as of March 31, 1999 and 1998, and the related statements of earnings and retained earnings and statements of cash flows for the years then ended. Our examinations were made in accordance with **generally accepted auditing standards, procedures and practices in Japan** and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Toshiba Machine Co., Ltd. as of March 31, 1999 and 1998, and the results of their operations and cash flows for the years then ended, in conformity with **generally accepted accounting principles in Japan** applied on a consistent basis.

The United States dollar amounts shown in the accompanying financial statements have been translated solely for convenience. We have reviewed this translation and, in our opinion, the financial statements expressed in yen have been translated into dollars on the basis described in Note 1.

Tokyo, Japan
June 29, 1999

Century Audit Corporation

CENTURY AUDIT CORPORATION
Certified Public Accountant

See note 1 to the financial statements which explains the basis of preparing the financial statements of Toshiba Machine Co., Ltd. under Japanese accounting principles and practices.