

Report of Independent Certified Public Accountants

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

We have audited the consolidated balance sheets of Toshiba Machine Co., Ltd. as of March 31, 2000 and 1999, and the related consolidated statements of operations and retained earnings and statements of cash flows for the years then ended. Our audits 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 consolidated financial statements referred to above present fairly the consolidated financial position of Toshiba Machine Co., Ltd. as of March 31, 2000 and 1999, 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, except for the change, with which we concur, in the method of accounting for marketable securities and security investments as described in Note 2.e to the consolidated financial statements.

The United States dollar amounts shown in the accompanying consolidated financial statements have been translated solely for convenience. We have reviewed this translation and, in our opinion, the consolidated financial statements expressed in yen have been translated into dollars on the basis described in Note 3.

Tokyo, Japan
June 29, 2000

Century Ota Showa & Co.

CENTURY OTA SHOWA & CO.
Certified Public Accountant

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