

THE BOARD OF DIRECTORS TSUBAKIMOTO CHAIN CO.

We have audited the accompanying consolidated balance sheets of Tsubakimoto Chain Co. and its consolidated subsidiaries (the "Companies") as of March 31, 2002 and 2001, and the related consolidated statements of income, retained earnings and cash flows for each of the three years ended March 31, 2002, expressed in Japanese yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, procedures and practices in Japan and, accordingly, our audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements, expressed in yen, present fairly, in all material respects, the financial position of the Companies as of March 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years ended March 31, 2002 in accordance with accounting principles and practices generally accepted in Japan applied on a consistent basis.

As described in Notes 2 and 5 to the consolidated financial statements, the Companies have adopted new accounting standards for retirement benefits, financial instruments and translation of foreign currencies in the preparation of their consolidated financial statements for the year ended March 31, 2001.

The accompanying consolidated financial statements as of March 31, 2002 and for the year ended March 31, 2002 have been translated into United States dollars solely for the convenience of the reader. We have reviewed the translation and, in our opinion, the consolidated financial statements expressed in Japanese yen have been translated into United States dollars on the basis described in Note 1(d) to the consolidated financial statements.

Shin Nihon & Co.

Shin Nihon & Co.

Osaka, Japan
June 27, 2002

See Note 1 to the consolidated financial statements, which explains the basis of preparing the consolidated financial statements of Tsubakimoto Chain Co. under Japanese accounting principles and practices.