

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders
Keihin Electric Express Railway Co., Ltd.

We have audited the consolidated balance sheets of Keihin Electric Express Railway Co., Ltd. and consolidated subsidiaries as of March 31, 2001 and 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the two years in the period ended March 31, 2002, all expressed in yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied 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 accompanying consolidated financial statements, expressed in yen, present fairly the consolidated financial position of Keihin Electric Express Railway Co., Ltd. and consolidated subsidiaries at March 31, 2001 and 2002, and the consolidated results of their operations and their cash flows for each of the two years in the period ended March 31, 2002 in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

As described in Note 1 to the consolidated financial statements, Keihin Electric Express Railway Co., Ltd. and consolidated subsidiaries have adopted new accounting standards for employees' retirement benefits and financial instruments effective the year ended March 31, 2001 in the preparation of their consolidated financial statements.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2002 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Shin Nihon & Co.

Shin Nihon & Co.

Tokyo, Japan
June 27, 2002

See Note 1 to the consolidated financial statements which explains the basis of presentation of the consolidated financial statements of Keihin Electric Express Railway Co., Ltd. and consolidated subsidiaries under Japanese accounting principles and practice.