ANNUAL REPORT 2016

KINDEN CORPORATION

Kinden

PROFILE

Since its establishment in 1944 to undertake construction of urban and corporate infrastructure, Kinden Corporation has expanded its business as a company established to benefit the public. Even amidst the rapid changes of today, Kinden has grown into one of Japan's leading integrated electrical and facility engineering companies with a nationwide business structure by demonstrating a future-oriented entrepreneurial spirit and picking up on the needs of the market.

Kinden also expanded overseas in the 1950s ahead of competitors in the industry, and we have built up over 60 years of experience and credentials in over 90 countries around the globe, including such locations as Hawaii, Guam, countries in Asia, and the Middle East and Africa. In recent years, Kinden has expanded proactively into the installation of social infrastructure, primarily in Southeast Asia.

In recent years, Kinden has focused efforts on **smart grid construction**, **energy storage**, **business continuity planning (BCP) measures** and **renewable energy** in response to changing customer needs, while proactively engaging in initiatives aimed at meeting new needs, including **distributed power generation**, **renewable energy** and **next-generation lighting**. (See pages 4–5.)

Kinden aims to further enhance its corporate value in the future as an integrated electrical and facility engineering company with three pillars in **energy, environment** and **information**.

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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

MESSAGE FROM THE PRESIDENT

Business Results in the Fiscal Year Ended March 2016

Despite the challenging operating environment, we successfully boosted sales and income.

During the fiscal year ended March 2016, the Japanese economy was characterized by a modest recovery overall, as government economic stimulus, monetary easing and yen depreciation led to signs of improvement in production and corporate profits in the first half. Nevertheless, the economy was affected in the second half by lackluster personal consumption and a slowdown in overseas economies, mainly in developing countries.

In the construction industry, although public works declined, corporate capital investment and the effect of redevelopment in the Greater Metropolitan Area kept the industry firmly on track.

Under these conditions, the Kinden Group proactively developed sales activities capitalizing on our comprehensive strengths to maintain management policies ensuring construction volumes and profits. Despite a significant slump in the Southeast Asia region, the Group and domestic subsidiaries including Nishihara Engineering Co., Ltd. performed favorably. Ongoing efforts to curtail cost of sales, bolster productivity and raise operating efficiencies led to higher net sales on a consolidated and a non-consolidated basis, resulting in double-digit income growth.

Consolidated net sales increased 1.6% from the preceding fiscal year, to ¥475,345 million. Operating income increased 14.1%, to ¥33,450 million, and profit attributable to owners of parent expanded 15.2%, to ¥23,669 million, resulting in ROE of 6.3%, up from 5.7 % in the previous term.

On a non-consolidated basis, net sales amounted to ¥416,293 million, up 3.2%, while operating income grew 25.4%, to ¥28,163 million and profit rose 44.0%, to ¥23,154 million.

Profit attributable to owners of parent per common share increased ¥14.42 year on year on a consolidated basis, to ¥109.09. On a non-consolidated basis, profit per common share rose ¥32.63, to ¥106.72.

* *Refer to the Management's Discussion and Analysis on page 16 for further details.*

Consolidated Financial Highlights

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2015 and 2016

	Millions of yen		YoY change	Thousands of U.S. dollars*
	2015	2016		2016
Net sales	¥467,972	¥475,345	1.6%	$4,218,544
Operating income	29,325	33,450	14.1%	296,861
Profit attributable to owners of parent	20,552	23,669	15.2%	210,055
Total assets	542,246	547,554	1.0%	4,859,371
Total net assets	377,659	376,521	(0.3)%	3,341,510
Return on equity (ROE)	5.7%	6.3%	0.6pt	—
	Yen			U.S. dollars*
Profit attributable to owners of parent per common share	¥94.67	¥109.09	15.2%	$0.96
Cash dividends per common share	20.00	24.00	20.0%	0.21

* U.S. dollar amounts are computed using the March 31, 2016 exchange rate of ¥112.68=US$1.

Medium- to Long-Term Management Strategy

The Group will work as one to achieve medium-term management plan targets.

Operating in an environment that fluctuates wildly moment by moment, the Kinden Group is endeavoring to solidify the strengths it has cultivated to date as it looks to the future. At the same time, we will move forward with efforts to reinforce our base of operations where necessary and strive to become a company that creates customer satisfaction.

Next fiscal year (ending March 2017) is the final year of our medium-term management plan. Up to now, we have executed business policies based on four pillars: "contributions to the power infrastructure business," "further strengthening of community-focused business activities," "further expansion in the Greater Metropolitan Area" and "long-term expansion overseas," while promoting sound corporate activities to ensure safety, quality and compliance-based management. The result of various policies promoted to strengthen our business foundation can be seen in our performance during the fiscal year under review, but we want to further accelerate toward the achievement of our final goals next fiscal year.

With regard to "contributions to the power infrastructure business," we will fulfill our duty to provide a stable power supply, which is our mission, and promote further integration with general construction departments while responding flexibly to energy market reform in Japan. In particular, we plan to expand the breadth of our business, including investment in line with the wind power and other natural renewable energy generation and decentralization of power sources. We will also pursue further enhancements in response to smart cities, ecotowns and other energy management systems.

Furthermore, as 2018–2019 are expected to be the peak of construction in preparation for the Tokyo Olympic and Paralympic Games, we are promoting Group-wide support for Tokyo with the establishment of the Metropolitan Business Promotion Office as part of our efforts toward "further expansion in the Greater Metropolitan Area." We will promote business activities that fully take into account construction force and construction management capabilities to endure this peak and maintain the unwavering trust of customers.

Sustainable Increases in Value

Making efforts to further strengthen compliance with the Corporate Governance Code.

The Group discloses policies and the status of initiatives pertaining to the 73 General Principles, Principles and Supplementary Principles specified in the Corporate Governance Code, which went into effect on June 1, 2015. The Company recognizes the strengthening of corporate governance as an area of topmost importance in order to reinforce, accelerate and ensure the appropriateness of business execution, as well as to respond expeditiously to changes in the business environment. Accordingly, we have established two priority measures: increasing the transparency of operations and thoroughly strengthening compliance.

Return to Shareholders and Dividend Policy

We raised the dividend in line with performance that exceeded forecasts and are striving to increase liquidity of the Company's shares and expand our investor base.

Kinden maintains the fundamental policy of placing top priority on stable and sustainable dividends for shareholders, with a dividend policy that also takes into account business results and other factors. We have adopted a system of interim dividends to increase shareholder return opportunities, and as part of our shareholder-oriented management we also provide commemorative dividends to mark special anniversaries and business periods. At the same time, the Group retains sufficient internal reserves to reinforce its management structure and invest in proactive business development as an integrated electrical and facility engineering company.

We paid a full-year dividend of ¥24 per common share for the fiscal year ended March 2016. The ordinary interim dividend was ¥10 per common share, and the year-end dividend, initially expected to be ¥10 per common share, was increased to ¥14 per common share as earnings performance substantially exceeded initial forecasts.

Next fiscal year (ending March 2017), we plan to provide a full-year dividend of ¥24 per common share, comprising an ordinary interim dividend of ¥12 per common share and a year-end dividend of ¥12 per common share.

Moreover, to make investing easier, increase liquidity of the Company's shares and expand our shareholder base, on July 1, 2015, we will revise our stock trading unit from 1,000 shares to 100.

Outlook and Strategies for the Fiscal Year Ending March 2017

We will strive to reinforce our base of operations and leverage our strengths toward proactive business expansion.

For the fiscal year ending March 2017, we forecast consolidated net sales of ¥460,000 million, down 3.2% year on year; operating income of ¥29,000 million, down 13.3%; and profit attributable to owners of parent of ¥21,000 million, down 11.3%. On a non-consolidated basis, we anticipate net sales of ¥400,000 million, down 3.9%; operating income of ¥24,000 million, down 14.8%; and profit of ¥18,000 million, down 22.3%. Although construction on hand is on the rise, projects are becoming larger and requiring more time. For this reason, there are fewer projects that will be completed in the next fiscal year, resulting in an expected decline in profit. However, from the fiscal year ending March 2018, we expect profit to increase.

Looking at the operating environment going forward, stagnating economies in developing and resource-rich countries are liable to strengthen the yen and weaken stock prices, creating the risk of a downturn in Japan's domestic economy, resulting in uncertain future conditions.

In the construction industry, although we expect ongoing private investment, such projects are likely to be affected by construction delays caused by a shortage of skilled workers, as well as rising labor costs, which will continue to be causes for concern.

Given this situation, the Kinden Group will continue its contributions to the power infrastructure business and the further strengthening of community-focused business activities, while at the same time continuing to strengthen business development in the Greater Metropolitan Area and developing business overseas from a long-term perspective. We will contribute to society by meeting customer needs with high technology and skills that provide safety, peace of mind and comfort.

Furthermore, we will continue to operate our internal control system, including legal compliance and risk management, engage in transparent and sound business execution, further improve our operational quality, strengthen human resource development and maintain a thorough emphasis on safety as the highest priority. We will continue to promote the development and enhancement of our business foundation to be able to respond to any and all changes in the external environment.

I would ask all our shareholders and investors for your continued support.

June 2016

Yukikazu Maeda
President

SPECIAL FEATURE → Aiming to Expand Our

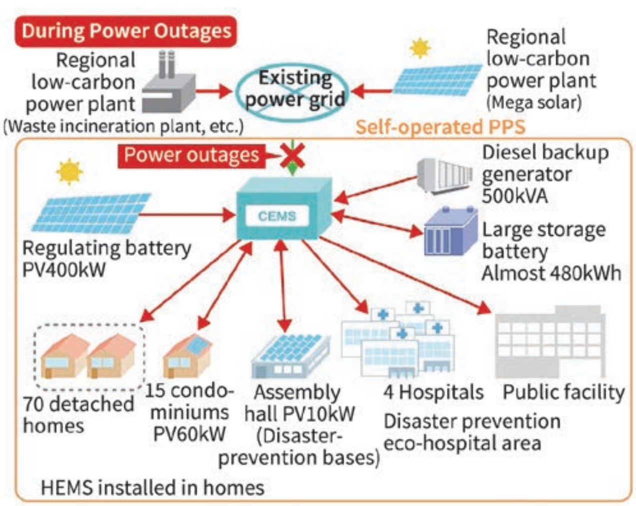
With the full liberalization of electric power retail sales in April 2016 and ongoing electricity market reforms, there is an increasing interest in renewable energy, energy conservation and energy storage in Japan. Going forward, Kinden will accurately gauge and respond to customer needs and proactively cultivate new areas in an attempt to expand our business domain.

Recent Focus Areas

Smart Grid Construction

Kinden participated in the planning of the Higashi-Matsushima Disaster-Ready Smart Eco-Town in Miyagi Prefecture. This project aimed for the local production of electric power for local consumption and energy conservation by incorporating solar power systems, storage batteries and emergency power generators. Kinden was responsible for these systems, as well as the design and installation of power distribution equipment that contributed to the construction of a disaster-resistant smart grid*. We will continue to focus efforts on expanding needs in this area, where we are able to make the most of our technological and comprehensive capabilities.

*: *Smart grids are next-generation power grids able to control and optimize the flow of electric power from both the supply and demand sides.*

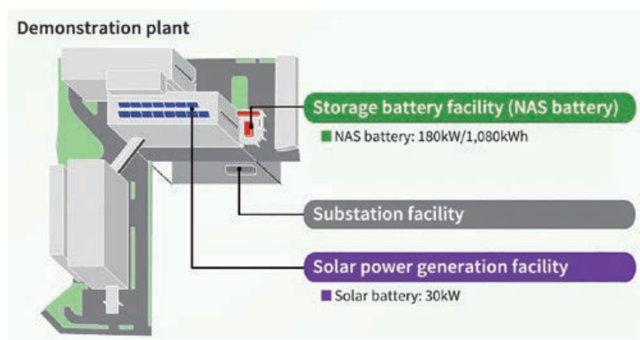


Providing power with local distributed power sources in the event of power outages

Energy Storage

In addition to use as a power source for business continuity plan (BCP) in the event of an emergency and the stabilization of renewable energy systems, large capacity storage batteries are expected to play a central role as a power source for leveling power loads. The Kinden head office uses NAS®* battery systems combined with solar power systems. We gather operational data and engage in the ongoing verification of system stabilizing technologies that are combined with solar power systems, as well as compile large capacity storage battery work performance data from plants and other facilities. This data is used in customer sales proposals and to augment our knowledge base.

*: *Registered trademark of NGK INSULATORS, LTD.*

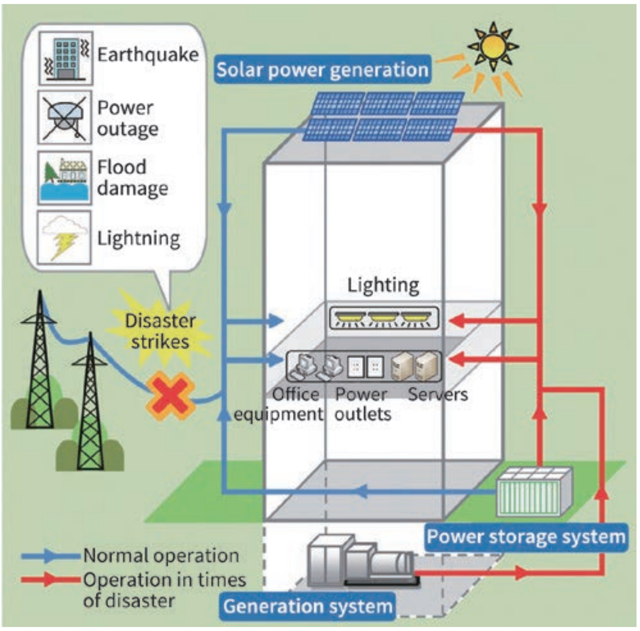


Incorporating NAS® batteries and solar power systems to amass knowledge about storage battery usage (Kinden Osaka head office)

BCP Measures

Since the Great East Japan Earthquake, there has been an increasing momentum toward the formulation of BCP to quickly resume and maintain operations after a disaster occurs. The formulation of BCP requires a comprehensive focus on both facilities and people, including the establishment of backup systems and the rapid confirmation of employee safety. Kinden formulates countermeasures by assuming specific disaster scenarios, such as earthquakes and floods. We are engaged in the installation of backup power sources and the establishment of redundant trunk line routes and information & communication networks.

Business Domain through Challenges in New Areas



Formulating BCP measures from a variety of proposals

Renewable Energy

With respect to wind power, Kinden has accumulated a wealth of operational experience through our Group companies. In addition, we established the Shiratakiyama Photovoltaic Pilot Plant in 2012 as a mega solar power plant demonstration facility, and are accumulating knowledge through construction projects across Japan. Furthermore, we are also leveraging our comprehensive capabilities to engage in grid-related construction projects to link these power plants with power company power lines.

Meeting needs through the accumulation of operational data from in-house equipment

Energy Conservation

Kinden proposes the "visualization" of energy usage status and building energy management systems (BEMS) for unified energy-saving control to ensure the proper operation of equipment. We meet customer demands for lower running costs through energy conservation. Furthermore, we promote zero-energy building (ZEB) initiatives that reduce a building's net energy consumption as close to zero as possible through solar power systems, sensor-equipped LED lighting, BEMS and other energy-saving and renewable energy usage.

The Kinden Shoji Osaka Tamatsukuri building is designed to reduce energy usage.

Addressing New Needs Capabilities

Distributed Power Generation

There is an increasing focus on local production of electric power for local consumption through distributed power generation and power generator equipment using renewable energy and large capacity storage batteries. Kinden will continue its efforts in the areas of distributed power generation construction work and optimized operating control technologies in Japan and overseas.

Renewable Energy

In addition to efforts focused on the promotion of wind power and solar power generation, Kinden will promote small hydroelectric, biomass and geothermal power generation initiatives. We will also attempt to amass experience in the installation of power lines owned by renewable energy power plant operators.

Next-Generation Lighting

Kinden is focused not only on LED and other high-efficiency light fixtures, but also on lighting control systems that eliminate unnecessary usage and wasted brightness. Our aim is to provide high value-added lighting equipment that realizes both comfort and intellectual productivity.

RECENT MAJOR PROJECTS

Here we feature examples of projects that leverage our integrated strengths from across a broad range of sectors.

Power Distribution Lining
Installation work on power distribution lines of The Kansai Electric Power Co., Inc. (Osaka)

Electrical
Shopping center and other facilities in Futako Tamagawa Rise (Tokyo)

Information & Communications Network

Hitachi LNG Terminal of Tokyo Gas Co., Ltd. (Ibaraki)

Environmental Management Facilities

HIMEDIC building in Kyoto University Hospital (Kyoto)

Electric Power & Others

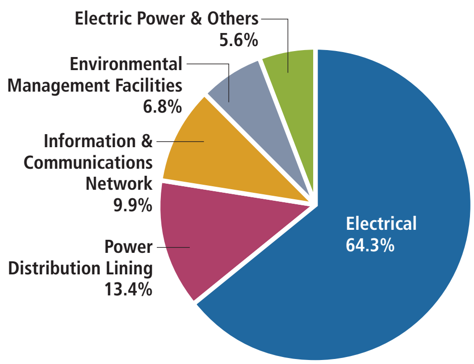
Transference work on the No. 36 to 58 sections of the Koto Line (Fukui)

REVIEW OF OPERATIONS (Non-Consolidated)

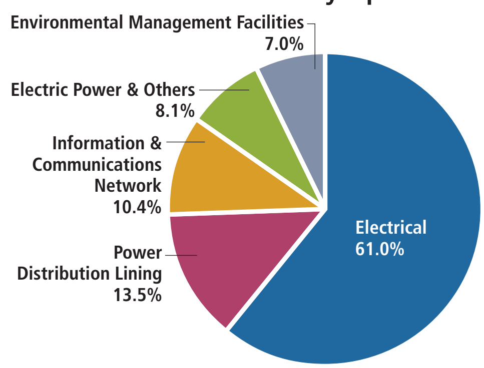
■ *Summary by Operation*

The summary by operation is on a non-consolidated basis. Orders received and net sales of completed construction contracts were up year on year in the Electrical and Environmental Management Facilities operations, but down in the Power Distribution Lining, Information & Communications Network and Electric Power & Others operations. Orders received and net sales of completed construction contracts for renovation work increased after the business suspension order was rescinded, causing orders received to rise 13.5% to ¥131,854 million and net sales of completed construction contracts to grow 12.7% to ¥131,582 million. We anticipate a slight increase in the next fiscal year due to firm demand for energy conservation, CO_2 reduction and environmentally friendly facilities.

New Orders



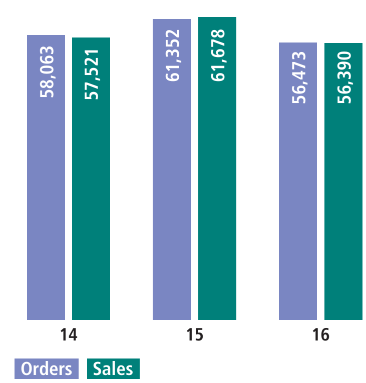
Sales of Completed Construction Contracts by Operation



Power Distribution Lining

Orders received declined 8.0% from the previous fiscal year, to ¥56,473 million, and net sales of completed construction contracts decreased 8.6%, to ¥56,390 million. This was because some construction materials were to be provided by The Kansai Electric Power Co., Inc. starting from May 2015 and they were no longer included in sales calculations despite an increase in referral work from the Kansai Electric Power. Although our business foundation is stable in this operation, the future remains uncertain from next fiscal year forward for Kansai Electric Power, which accounts for over 94% of our business. As we are unable to predict construction schedules, we forecast a slight decrease in orders and sales. For other power distribution-related work, we will make use of our position as a company closely tied to the regions where we intend to increase orders mainly for high-voltage construction work for convenience stores, high-voltage bulk electric power receiving works for apartment buildings and internal facility construction projects for customers.

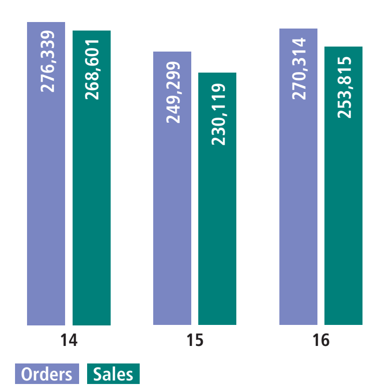
Orders and Sales
Millions of yen



Electrical

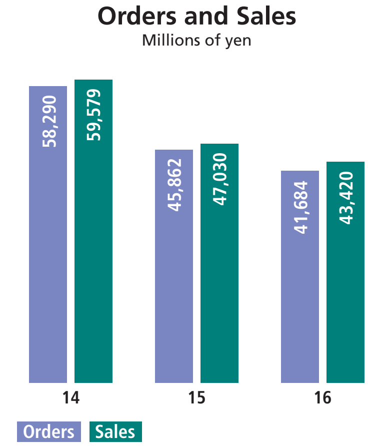
Orders received increased 8.4% from the previous fiscal year, to ¥270,314 million, and net sales of completed construction contracts were up 10.3%, to ¥253,815 million. There was an increase in orders received for office buildings, factories and logistics facilities. With regard to office buildings in particular, we received orders for large construction projects mainly in the Greater Metropolitan Area. There was an increase in net sales of completed construction contracts for factories, commercial and entertainment facilities, healthcare facilities and logistics facilities. Going forward, we will further strengthen business development in the Greater Metropolitan Area and intensify sales in areas where there is solid demand throughout Japan, including data centers, logistics facilities and capital investment for inbound business. We will also more actively pursue overseas works in areas including India and Myanmar while focusing on Southeast Asia through selection and concentration.

Orders and Sales
Millions of yen



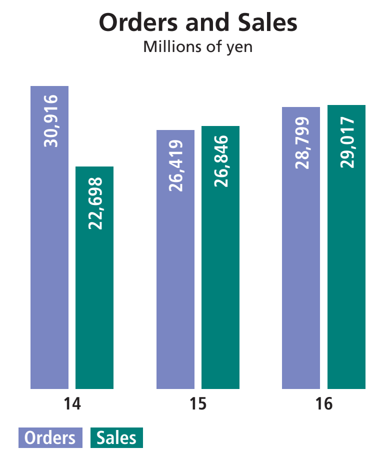
Information & Communications Network

Compared with the previous fiscal year, orders received fell 9.1%, to ¥41,684 million, and net sales of completed construction contracts declined 7.7%, to ¥43,420 million. The scale of orders and sales for FTTH installation works from an affiliate of Kansai Electric Power decreased in the fiscal year under review, as this network has reached the point of saturation. Orders and sales for mobile phone base stations also declined substantially during the year, stemming from lower capital investment by telecommunications providers. Going forward, we will strive to secure orders for government and municipal projects, wireless-activated disaster warning systems for tunnels, security surveillance equipment and charging equipment for eco-cars. We will also proactively develop business by focusing efforts on projects including the installation of LAN and other in-house communications and energy management system-related work.



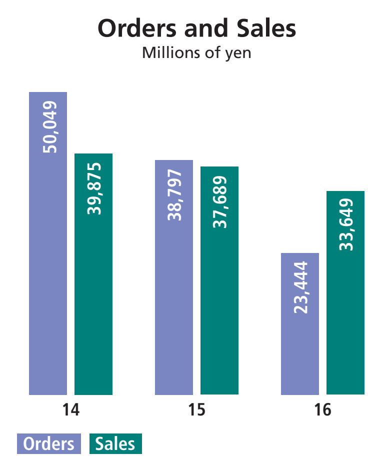
Environmental Management Facilities

In this operation, orders received increased 9.0% year on year, to ¥28,799 million, while net sales of completed construction contracts increased 8.1%, to ¥29,017 million. The main reason for these increases was growth in commercial and entertainment and other facility projects. Going forward, in addition to our traditional specialization in office buildings, healthcare facilities, educational and cultural facilities, commercial and entertainment facilities and factories, we will focus efforts on securing orders related to tourism and logistics facilities and data centers. In addition to support for energy-conservation measures, we will also attempt to make proactive proposals to customers and expand orders for BCP and power-saving measures.



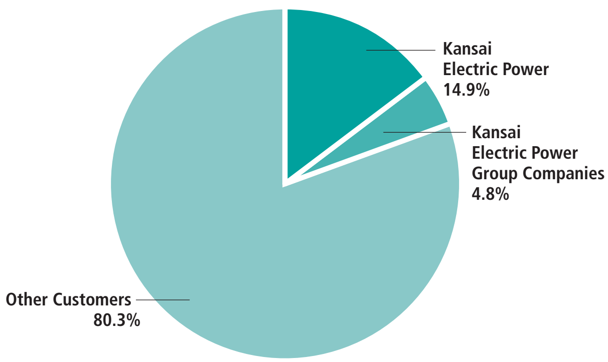
Electric Power & Others

Orders received fell 39.6% year on year, to ¥23,444 million, and net sales of completed construction contracts decreased 10.7%, to ¥33,649 million. The primary reason for the decline in orders and sales was a drop-off in mega solar and other solar power plant-related work. We also anticipate a slight decline in orders and sales for solar power plant-related work in the next fiscal year. We will continue strengthening marketing efforts in such areas as repair of electrical transmission facilities and substation equipment upgrade works for Kansai Electric Power, repair work on other aged equipment, work for wind power generation facilities and overseas infrastructure projects. We will also take advantage of the business opportunity presented by the electricity market reforms.

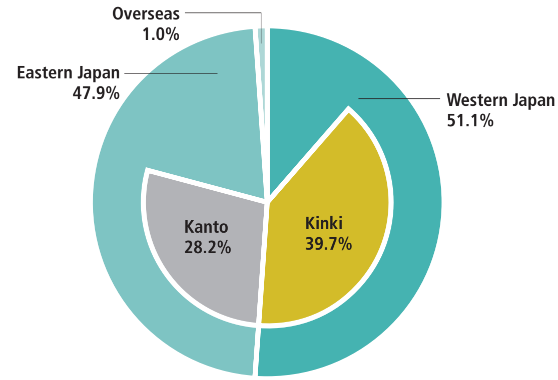


■ *Composition of Non-Consolidated Net Sales, Construction Orders on Hand, and Shareholding Ratio* *(Fiscal 2016)*

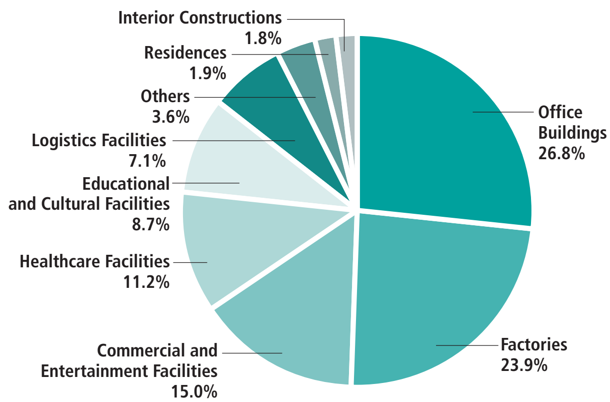
Net Sales by Customer



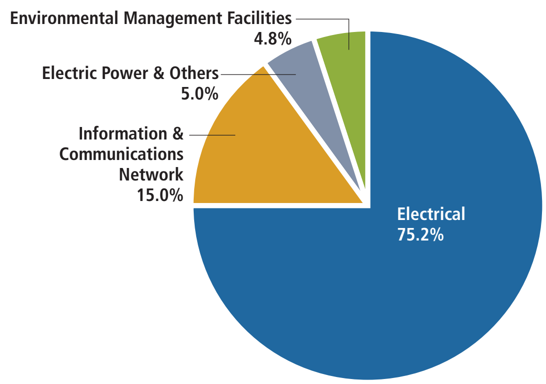
Net Sales by Region (excluding sales of Power Distribution Lining)



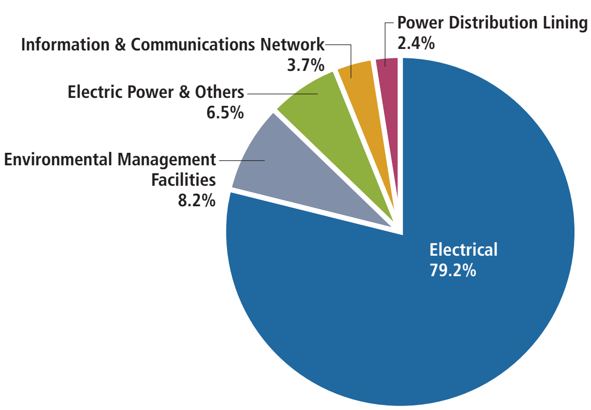
Net Sales by Facility (Electrical)



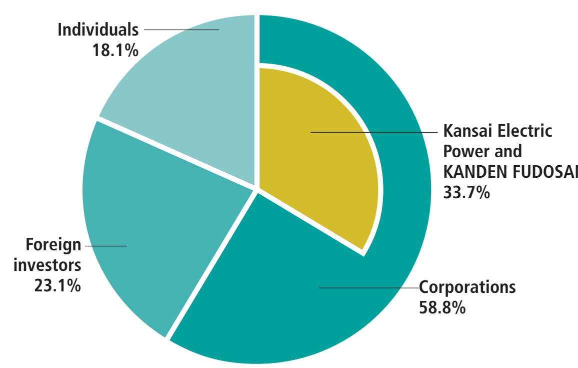
Net Sales of Renewal Construction by Operation (excluding sales of Power Distribution Lining)



Construction Orders on Hand by Operation



Shareholding Ratio



TOPIC

43rd WorldSkills Competition

Winning Two Consecutive Titles in the Information Network Cabling Category

In August 2015 at the 43rd WorldSkills Competition held in São Paulo, Brazil, Kinden employee Ryuji Shimase representing Japan won the gold medal in the Information Network Cabling category. This was the second gold medal for Kinden, having won gold medals in the Information Network Cabling category the second times in a row. He also won the Best of Nation Award as the Japanese competitor with the highest overall points in the competition.

The WorldSkills Competition is for a vocational education and skills excellence competition in which young professionals from around the world simulated real work challenges that must be completed to international industry standards. The competition aims to promote improvements in the level of skills and vocational training in participating countries and regions and foster international exchanges and friendship among young skilled workers.

Since 1962 Japan's first participation in this competition in Spain, Kinden has been sending a total of 17 competitors in categories including electrical installations, information network cabling and plumbing and heating. Kinden has won a total of 11 medals up to now (nine gold, two bronze). Going forward, we will continue to participate in this event and the experienced persons shall encourage youth to develop the skill.

Ryuji Shimase (center), the gold medalist for Information Network Cabling at the 43rd WorldSkills Competition in 2015

CORPORATE SOCIAL RESPONSIBILITIES

Working Closely with Local Communities through Nationwide Volunteer Activities

In December 2015, as part of regional volunteering activities, Kinden participated in the inspection of street lights, cleanup and rubbish collection efforts around Himeji Castle, one of Japan's national heritage. Himeji Castle was registered as a World Cultural Heritage Sites in 1993, and Kinden has engaged in these volunteer activities every year since 1994. Our activities this year focused on Himeji Castle's Sannomaru Square and park on the western side, where nine bucket trucks were used to check whether street lights were working properly and to carefully clean lamps and the outside of exterior glass. Major repairs to Himeji Castle, including the castle tower, were completed in 2015, prompting a large number of visitors from around Japan and the world.

For the past 20 years, Kinden has also volunteered to clean the Wakayama Castle stone walls. We have engaged in these activities with a strong sense of gratitude for the local communities where we operate. Going forward, we will step up our involvement in volunteering to work more closely with local communities.

A Kinden employee polishes street lights in front of the castle tower as view, which recently underwent major repairs, stands proudly in the background

Main Policies

Kinden recognizes improving corporate governance as an important management issue for stronger, faster and more precise execution of operations, and to flexibly respond to changes in the business environment. We strive to further reinforce our corporate governance giving priority to improving the transparency of operations and observing absolute compliance.

The Company has adopted the Audit & Supervisory Board Member system.

The Company emphasizes such audits by the Outside Audit & Supervisory Board Member system. Based on this system, the Company seeks to enhance its monitoring function over management activities in cooperation with accounting auditors and the internal auditing department.

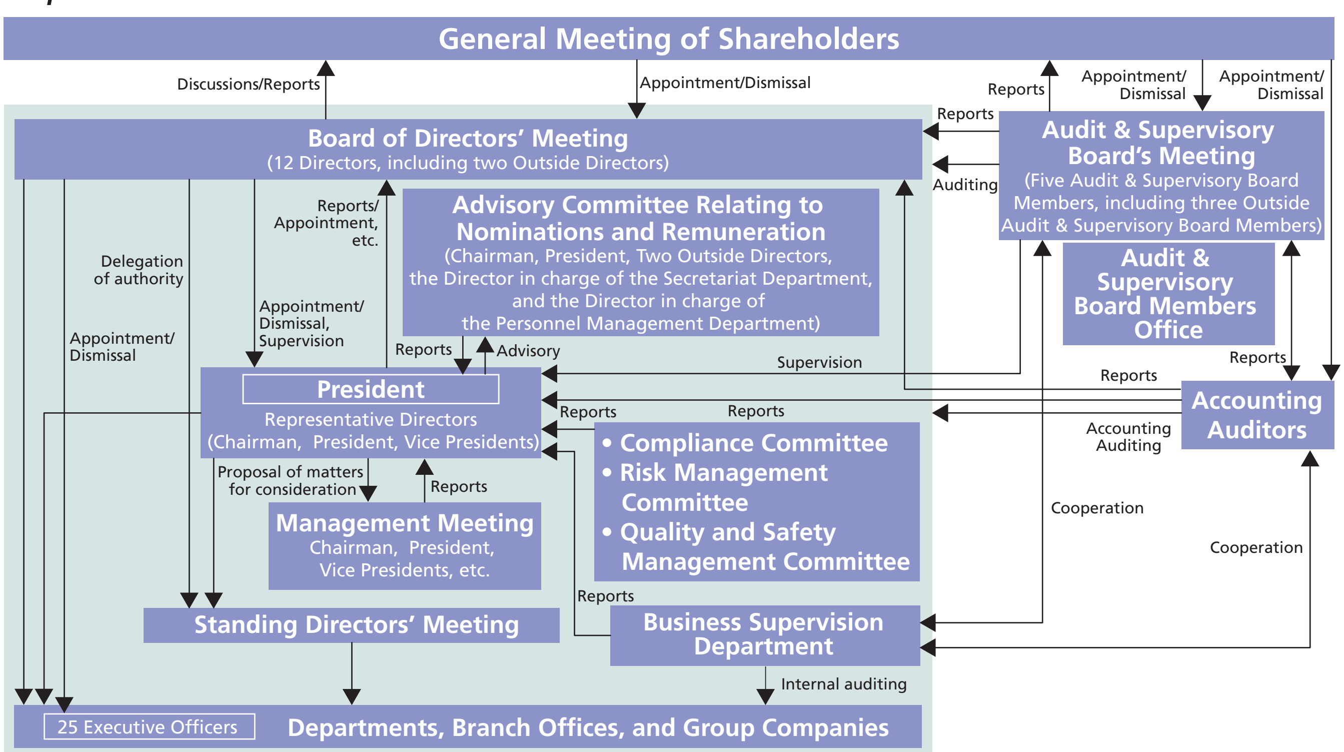
The Company has adopted an Executive Officer system, with the aim of speeding up decision making, enhancing the monitoring function over business execution, and enabling the executive officers in charge of specific operations to focus on their business execution. With regard to the monitoring function, the Company seeks to strengthen its supervision over business operations by organizing Board of Directors' Meetings and Standing Directors' Meetings headed by the chairman on a regular basis.

Corporate Governance System

Overview of the Corporate Governance System

Corporate governance structure	A company with Audit & Supervisory Board Members
Chairman of the Board	Masao Ikoma (Chairman)
Number of Directors	12 (including two Outside Directors)
Directors' terms of office	One year
Number of Audit & Supervisory Board Members	Five (including three Outside Audit & Supervisory Board Members)
Audit & Supervisory Board Members' term of office	Four years
Independent Director appointment	Two Outside Directors
Key meetings attended by Audit & Supervisory Board Members	Board of Directors' Meetings, Audit & Supervisory Board's Meetings
Accounting auditor	PKF Hibiki Audit Corporation

Corporate Governance Structure



Overview of Main Meetings and Committees

Standing Directors' Meeting	Purpose: To deliberate the promotion of concrete management activities and the establishment of policies and plans affecting general company management other than important matters requiring Board of Directors' Meeting resolutions as stipulated in the Companies Act
	Held: Semimonthly; Participants: Standing Directors and Standing Audit & Supervisory Board Members
Management Meeting	Purpose: To deliberate management policies critical for the Company including the proposals to the Standing Directors' Meeting
	Held: Semimonthly; Participants: Chairman, President, Vice Presidents, etc.
Compliance Committee	Purpose: To strengthen the compliance function
	Held: Semiannually; Participants: Chairman, President, Vice Presidents, Audit & Supervisory Board Member representatives and executive officers in charge of compliance
Risk Management Committee	Purpose: To strengthen the risk management function
	Held: Semiannually; Participants: Directors in charge, Department Managers of Head Office
Quality and Safety Management Committee	Purpose: To strengthen construction quality and safety management functions
	Held: Semiannually; Participants: Directors in charge, Division Heads and Department Managers of Head Office
Advisory Committee Relating to Nominations and Remuneration	Purpose: To strengthen the independence, objectivity and accountability of the Board of Directors' Meeting function, specifically with respect to important matters including the appointment of directors and Audit & Supervisory Board Members and director remuneration
	Participants: Chairman, President, Outside Directors, the Director in charge of the Secretariat Department and the Director in charge of the Personnel Management Department

Status of Enhancement of the Risk Management System

The Company has instituted a Compliance Committee to enhance compliance functions. It has also set up a Risk Management Committee in an effort to strengthen risk management functions. In addition, the Company has established a Quality and Safety Management Committee to enhance quality and safety management for construction.

Internal Audit and Audit & Supervisory Board Members

Internal audit is conducted, as ordered by the president, by the Business Supervision Department (six members), which carries out regular operations audits on the structure and administration of internal controls and audits on specific items as specially instructed. The results are reported to the President and Audit & Supervisory Board Members.

The Audit & Supervisory Board Members supervise the business execution by the Board of Directors in accordance with policies set by the five Audit & Supervisory Board Members, by such means as attending Board of Directors' and other important meetings, listening to business reports from the Board of Directors, and reviewing important documents. Additionally, regular meetings are set between the President and the Audit & Supervisory Board Members to provide opportunities to exchange information, and report and examine the execution of operations.

Of the five Audit & Supervisory Board Members, one Audit & Supervisory Board Member (full-time) previously served as the Comany's Finance & Accounting Department manager and has high-level knowledge and judgment regarding finance and accounting.

Relationships with Outside Directors and Outside Audit & Supervisory Board Members

With respect to Outside Directors Harunori Yoshida and Hanroku Toriyama, there are no personal relationships, capital relationships, business relationships or other special interests between Kinden and these individuals or the organizations to which they belong. They have been appointed and reported as independent directors in accordance with criteria for the exchange of financial instruments and there is no risk of conflicts of interest with general shareholders.

Two of the three Outside Audit & Supervisory Board Members, Hideki Toyomatsu and Yasuhiro Yashima, are executive officers (directors) of The Kansai Electric Power Co., Inc., a client of Kinden's power distribution lining and power line transmission work (electric power and others) who also concurrently serve as Kinden Audit & Supervisory Board Members. As of March 31, 2016, Kansai Electric Power holds 33.9% of all shareholder voting rights (27.2% directly, 6.7% indirectly) making it an "other affiliated company" of Kinden. Kaoru Wada is a former Kansai Electric Power employee who is now the Audit & Supervisory Board Member (full-time) and communicates closely with other Outside Audit & Supervisory Board Members.

Reason for Appointment as Outside Directors

Harunori Yoshida	Hanroku Toriyama
Although Mr. Harunori Yoshida has not been involved in corporate management except for his past experience as an Outside Director, he has appropriately advised the Company on its management based on his wealth of knowledge and insights as an expert of architecture. Therefore, he is believed to be a person suitable to be an Outside Director of the Company.	Although Mr. Hanroku Toriyama has not been involved in corporate management except for his past experience as an Outside Director and an Outside Audit & Supervisory Board Member, he has expertise concerning corporate legal affairs, and has appropriately advised the Company on its management from an objective and specialized perspective. Therefore, he is believed to be a person suitable to be an Outside Director of the Company.

Note: The two people satisfy the requirements for independent directors with respect to conflicts of interest and are designed as independent directors not posing a risk of conflicts of interest with general shareholders.

Reason for Appointment as Outside Audit & Supervisory Board Members

Kaoru Wada	Hideki Toyomatsu	Yasuhiro Yashima
As the Managing Executive Officer of The Kansai Electric Power Co., Inc., Mr. Kaoru Wada has a wealth of knowledge and insights on corporate management, and he has extensive audit experience as the Auditor of the Japan Mint Incorporated Administrative Agency. Therefore, he is believed to be capable of duly performing the duties of an Outside Audit & Supervisory Board Member of the Company, and is selected again for such position.	As the Representative Director, Executive Vice President of The Kansai Electric Power Co., Inc., Mr. Hideki Toyomatsu has extensive experience as well as a wealth of knowledge and insights on corporate management. Therefore, he is believed to be suitable to be an Outside Audit & Supervisory Board Member of the Company and is selected again for such position, with an expectation of providing adequate advice on the Company's management.	As the Director and Managing Executive Officer of The Kansai Electric Power Co., Inc., Mr. Yasuhiro Yashima has extensive experience as well as a wealth of knowledge and insights on corporate management and is expected to make good use of them in duly conducting audits. Therefore, he is believed to be suitable to be an Outside Audit & Supervisory Board Member of the Company and is selected for such position, with an expectation of providing adequate advice on the Company's management.

Director Remuneration

Total amount of remuneration for each executive officer category, total amount of remuneration by remuneration type and number of applicable executive officers

Executive director category	Total remuneration (Millions of yen)	Total Remuneration by Remuneration Type (Millions of yen)				Number of applicable executive officers
		Basic remuneration	Stock options	Bonus	Retirement benefits	
Directors (Excluding Outside Directors)	447	381	—	65	—	11
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	69	69	—	—	—	2
Outside Directors and Audit & Supervisory Board Members	51	51	—	—	—	6

Note: Includes remuneration for two Directors and one Audit & Supervisory Board Member who retired at the conclusion of the 101st General Meeting of Shareholders held in June 2015.

Remuneration for Audit Services

Remuneration paid to PKF Hibiki Audit Corporation in the 102nd fiscal term (the fiscal year ended March 31, 2016) for services set forth by the Certified Public Accountants Law totaled ¥45 million. No other remuneration was paid.

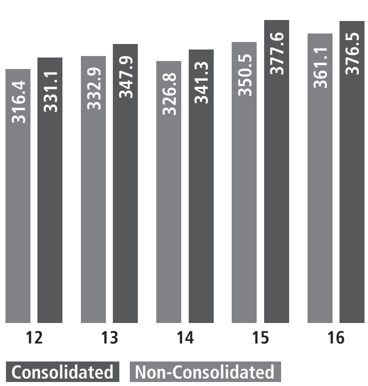
Five-Year Financial Summary

For the fiscal years ended March 31

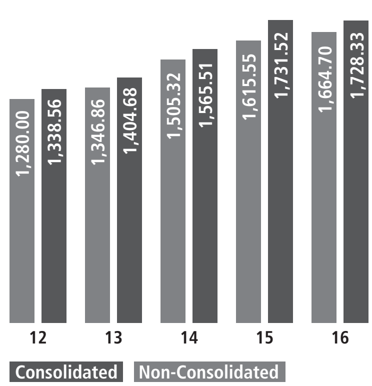
	Consolidated					Non-Consolidated				
	Millions of yen					Millions of yen				
	2012	2013	2014	2015	**2016**	2012	2013	2014	2015	**2016**
FOR THE YEAR										
Net sales	¥455,563	¥491,140	¥514,357	¥467,972	**¥475,345**	¥402,381	¥426,889	¥448,275	¥403,363	**¥416,293**
Power distribution lining						76,124	65,973	57,521	61,678	**56,390**
Electrical						237,287	270,340	268,601	230,119	**253,815**
Information & communications network						53,035	52,963	59,579	47,030	**43,420**
Environmental management facilities						24,814	22,566	22,698	26,846	**29,017**
Electric power & others						11,120	15,045	39,875	37,689	**33,649**
Operating income	19,251	19,767	25,691	29,325	**33,450**	17,455	20,220	20,738	22,464	**28,163**
Profit attributable to owners of parent	10,527	9,791	16,393	20,552	**23,669**					
Profit						9,543	10,794	13,148	16,083	**23,154**
Comprehensive income	12,205	20,309	25,243	42,058	**4,133**	—	—	—	—	—
Capital investment	2,407	4,059	2,820	1,407	**4,688**	2,150	3,701	976	934	**1,755**
Depreciation and amortization	5,783	5,193	4,708	4,451	**4,523**	4,436	4,042	3,459	3,176	**3,242**
AT YEAR-END										
Capital stock	¥ 26,411	¥ 26,411	¥ 26,411	¥ 26,411	**¥ 26,411**	¥ 26,411	¥ 26,411	¥ 26,411	¥ 26,411	**¥ 26,411**
Total net assets	331,111	347,949	341,364	377,659	**376,521**	316,424	332,926	326,851	350,569	**361,180**
Total assets	484,914	510,209	518,464	542,246	**547,554**	451,026	472,654	479,963	489,939	**502,129**
Number of shares outstanding (excluding treasury stock) (Thousands) Balance at end of year	247,206	247,186	217,131	216,996	**216,963**	247,206	247,186	217,131	216,996	**216,963**
Number of employees (Persons)*	9,412	9,602	9,557	9,563	**9,957**	6,991	7,027	6,992	6,895	**7,139**
Equity ratio (%)	68.2	68.1	65.6	69.3	**68.5**	70.2	70.4	68.1	71.6	**71.9**
Return on equity (ROE) (%)	3.2	2.9	4.8	5.7	**6.3**	3.1	3.3	4.0	4.7	**6.5**
Payout ratio (%)	32.9	40.4	24.4	21.1	**22.0**	36.3	36.6	30.4	27.0	**22.5**
Price-earnings ratio (Times)	15.01	15.91	13.51	15.87	**12.65**	16.55	14.43	16.85	20.27	**12.93**

* Number of employees (employees at work in Kinden) = Employees – Employees dispatched outside of Kinden + Workers dispatched by another company to Kinden

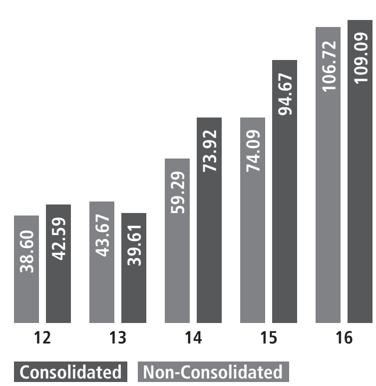
Total Net Assets
Billions of yen



Net Assets per Common Share
Yen



Profit per Common Share
Yen



RESULTS OF OPERATIONS

Net sales, operating income, ordinary income and profit attributable to owners of parent all increased year on year. Consolidated net sales amounted to ¥475,345 million (US$4,218,544 thousand), an increase of ¥7,372 million from the previous fiscal year. Operating income grew ¥4,125 million, to ¥33,450 million (US$296,861 thousand); ordinary income rose ¥3,381 million, to ¥35,378 million (US$313,975 thousand); and profit attributable to owners of parent expanded ¥3,117 million, to ¥23,669 million (US$210,055 thousand).

FINANCIAL POSITION

Assets

Current assets at March 31, 2016, amounted to ¥325,751 million, up ¥22,907 million, or 7.6%, from March 31, 2015. The rise was due primarily to higher notes receivable, accounts receivable from completed construction contracts and other, as well as an increase in short-term investment securities.

Noncurrent assets decreased ¥17,599 million, or 7.4%, from the end of the previous fiscal year, to ¥221,802 million. Property, plant and equipment increased ¥1,169 million, to ¥101,842 million. Buildings and structures made up most of this growth. Investments and other assets fell ¥18,605 million, to ¥118,211 million, mainly because of a decline in the market value of investment securities.

As a result, total assets amounted to ¥547,554 million (US$4,859,371 thousand) at the end of the fiscal year, up ¥5,307 million, or 1.0%, from one year earlier.

Liabilities

Current liabilities increased ¥5,281 million, or 4.0%, to ¥136,072 million. Higher income taxes payable associated with the rise in profit before income taxes was the principal reason.

Noncurrent liabilities expanded ¥1,163 million, or 3.4%, to ¥34,960 million. Principal factors included a higher net defined benefit liability, as the decline in interest rates on long-term Japanese government bonds led to a fall in the discount rate used for calculating retirement benefit obligations, and lower deferred tax liabilities stemming from the decrease in the market value of investment securities.

Consequently, total liabilities came to ¥171,032 million (US$1,517,861 thousand), an increase of ¥6,445 million, or 3.9%, from the end of the previous fiscal year.

Net Assets

Shareholders' equity rose ¥18,438 million, to ¥351,528 million, due to the posting of profit attributable to owners of parent. Accumulated other comprehensive income fell ¥19,188 million, to ¥23,455 million, as lower interest rates on Japanese government bonds led to a fall in the discount rate used for calculating retirement benefit obligations and a drop in remeasurements of defined benefit plans, and valuation difference on available-for-sale securities declined due to a decrease in the market value of investment securities.

As a result, total net assets amounted to ¥376,521 million (US$3,341,510 thousand), a decrease of ¥1,138 million, or 0.3%, from the end of the previous fiscal year. The equity ratio stood at 68.5%, down 0.8 percentage point from the end of the previous fiscal year.

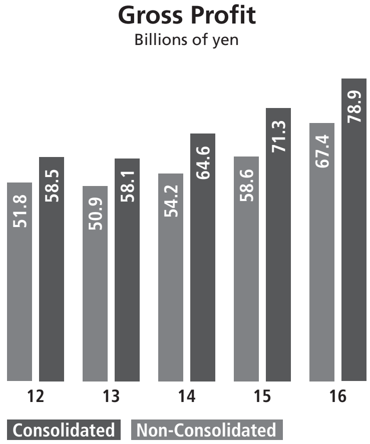
CASH FLOW ANALYSIS

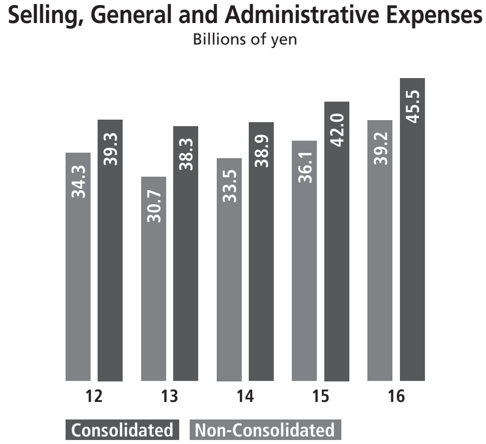
Net cash provided by operating activities in the fiscal year under review amounted to ¥19,793 million (US$175,664 thousand). This was mainly due to profit before income taxes, despite an increase in notes and accounts receivable–trade, a decrease in notes and accounts payable–trade, income taxes paid and other factors.

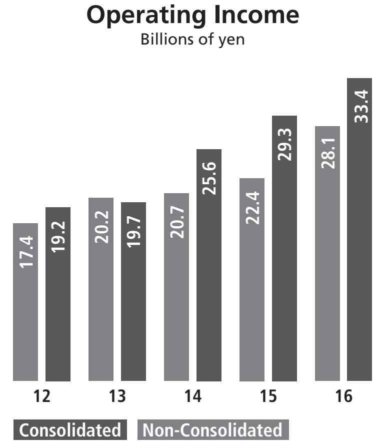
Net cash used in investing activities came to ¥898 million (US$7,978 thousand), due to payments for the purchase of property, plant and equipment.

Net cash used in financing activities was ¥6,133 million (US$54,437 thousand), mainly owing to cash dividends paid.

As a result, cash and cash equivalents stood at ¥105,793 million (US$938,881 thousand), an increase of ¥12,235 million from the end of the previous fiscal year.







RISK FACTORS

The following are risk factors that may have an impact on the Group's business results, share price and financial position.

Those future issues mentioned in this document are the risks that have been assessed by the Group as of the end of the fiscal year under review.

Economic Conditions

The demand for electrical facility installation work, which is the major source of the Kinden Group's earnings, is influenced by economic conditions in the regions and countries in which the Group receives orders.

1. Price-based competition for private-sector construction orders

The most crucial factor in obtaining orders becomes pricing, which encourages intense price-based competition. If demand for construction declines or shrinks, price competition would become even more severe, and this may lead to a negative impact on the Group's results and financial position.

2. Increased materials costs

A sharp surge to higher levels than forecast in the price of raw materials, including prices for steel, copper, and other commodities, may decrease the profitability of construction work, and could negatively affect the Group's results and financial position and may lead to a negative impact on the Group's results and financial position.

3. Restrained construction investment through national and local government policy

Based on policies of the national government and local government bodies to restrain construction investment, public works orders have declined and the Kinden Group has felt the impact of these policies. If, in the future, policies are implemented that further restrain construction investment, resulting in a significant drop in orders compared with the current level, this may lead to a negative impact on the Group's results and financial position.

4. Restrained capital investment by electric power companies

The Kinden Group receives orders and carries out power distribution lining, electric power, and other work from The Kansai Electric Power Co., Inc., a major customer. In the performance of this work, the Kinden Group faces a range of fixed costs, including labor costs and costs associated with vehicles, machinery, equipment, and the maintenance of operations centers. If, in the future, capital investment by electric power companies becomes further restrained, resulting in a significant imbalance between the level of orders received and the operational infrastructure maintained by the Group, this may lead to a negative impact on the Group's results and financial position.

5. Changes in overseas economic conditions and regulatory environment

The Kinden Group is active in overseas construction markets, particularly in infrastructure-related construction. If changes occur in the economic situation or regulatory environment of countries or regions in which the Group operates, this may lead to a negative impact on the Group's results and financial position.

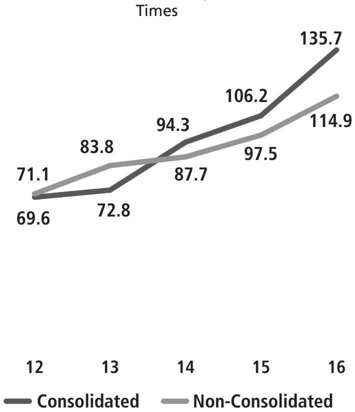
Exposure to Bad Debts Due to Customer Bankruptcies and Other Factors

The Kinden Group undertakes work based on contracts concluded with customers. Contracts are performed and payment is received according to contract conditions. The Group has strengthened its credit control systems in recent years; however, if a customer falls into bankruptcy, the Group would likely face exposure to bad debts. Depending on the size of the bad debts, this may lead to a negative impact on the Group's results and financial position.

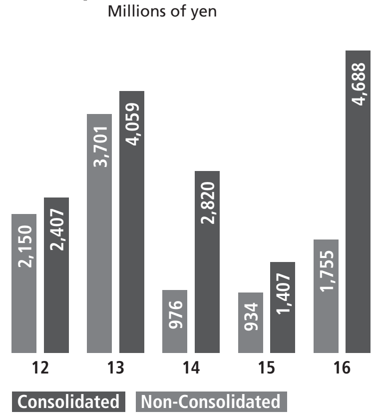
Impact of Large-Scale Natural Disasters

If a large-scale natural disaster occurs and Group facilities (buildings, cars, construction equipment, etc.) suffer damages, or if the domestic economy is disrupted as a result of a natural disaster, this may lead to a negative impact on the Group's results and financial position.

Interest Coverage Ratio



Capital Investment



Consolidated Balance Sheets

KINDEN CORPORATION AND SUBSIDIARIES
March 31, 2015 and 2016

ASSETS	Millions of yen 2015	Millions of yen 2016	Thousands of U.S. dollars 2016
CURRENT ASSETS:			
Cash and deposits	¥ 40,033	¥ 40,431	$ 358,815
Notes receivable, accounts receivable from completed construction contracts and other	180,716	193,762	1,719,583
Short-term investment securities	57,000	70,000	621,228
Costs on uncompleted construction contracts	11,973	11,098	98,493
Raw materials and supplies	2,138	1,193	10,592
Deferred tax assets	4,359	5,108	45,340
Deposits paid	5,000	—	—
Other	5,345	7,555	67,054
Allowance for doubtful accounts	(3,723)	(3,398)	(30,164)
Total current assets	302,844	325,751	2,890,943
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings and structures	87,343	89,194	791,569
Machinery, equipment and vehicles	37,414	38,001	337,249
Tools, furniture and fixtures	10,571	10,438	92,634
Land	57,956	57,927	514,085
Construction in progress	233	1,372	12,177
Accumulated depreciation	(92,846)	(95,090)	(843,900)
Total property, plant and equipment	100,672	101,842	903,816
INTANGIBLE ASSETS	1,912	1,748	15,517
INVESTMENTS AND OTHER ASSETS:			
Investment securities	119,920	109,221	969,304
Net defined benefit asset	4,585	—	—
Deferred tax assets	4,205	1,315	11,672
Other	11,879	11,140	98,871
Allowance for doubtful accounts	(3,773)	(3,465)	(30,754)
Total investments and other assets	136,816	118,211	1,049,093
Total noncurrent assets	239,402	221,802	1,968,427
Total assets	¥542,246	¥547,554	$4,859,371

See the accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
CURRENT LIABILITIES:			
Notes payable, accounts payable for construction contracts and other	¥ 71,123	¥ 67,881	$ 602,427
Short-term loans payable	17,289	16,340	145,012
Income taxes payable	8,241	10,423	92,502
Advances received on uncompleted construction contracts	10,493	10,686	94,840
Provision for loss on construction contracts	1,006	515	4,572
Provision for warranties for completed construction	610	398	3,537
Provision for directors' bonuses	175	173	1,537
Other	21,850	29,653	263,166
Total current liabilities	130,790	136,072	1,207,596
NONCURRENT LIABILITIES:			
Deferred tax liabilities	17,818	5,385	47,798
Provision for directors' retirement benefits	231	234	2,080
Net defined benefit liability	15,498	28,525	253,154
Other	248	814	7,231
Total noncurrent liabilities	33,796	34,960	310,264
Total liabilities	164,587	171,032	1,517,861
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 218,141,080 shares (2016)	26,411	26,411	234,393
Capital surplus	29,657	29,631	262,972
Retained earnings	277,999	296,518	2,631,508
Treasury stock	(978)	(1,032)	(9,166)
Total shareholders' equity	333,089	351,528	3,119,709
ACCUMULATED OTHER COMPREHENSIVE INCOME:			
Valuation difference on available-for-sale securities	41,492	33,855	300,453
Foreign currency translation adjustment	719	459	4,075
Remeasurements of defined benefit plans	432	(10,859)	(96,370)
Total accumulated other comprehensive income	42,643	23,455	208,158
NON-CONTROLLING INTERESTS	1,925	1,537	13,642
Total net assets	377,659	376,521	3,341,510
Total liabilities and net assets	¥542,246	¥547,554	$4,859,371

Consolidated Statements of Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Net sales of completed construction contracts	¥467,972	¥475,345	$4,218,544
Cost of sales of completed construction contracts	396,594	396,367	3,517,639
Gross profit on completed construction contracts	71,378	78,977	700,904
Selling, general and administrative expenses	42,053	45,527	404,042
Operating income	29,325	33,450	296,861
Non-operating income:			
Interest income	586	531	4,716
Dividends income	1,208	1,430	12,696
Real estate rent	336	328	2,910
Equity in earnings of affiliates	10	156	1,389
Foreign exchange gains	733	—	—
Other	567	426	3,789
Total non-operating income	3,442	2,873	25,503
Non-operating expenses:			
Interest expenses	293	261	2,320
Foreign exchange losses	—	239	2,127
Provision of allowance for doubtful accounts	86	—	—
Condolence money	70	56	503
Other	321	387	3,438
Total non-operating expenses	771	945	8,389
Ordinary income	31,996	35,378	313,975
Extraordinary income:			
Gain on sales of noncurrent assets	286	6	54
Gain on sales of investment securities	88	1,753	15,561
Gain on sales of memberships	21	9	85
Total extraordinary income	396	1,769	15,701
Extraordinary losses:			
Loss on sales of noncurrent assets	6	19	174
Loss on retirement of noncurrent assets	130	107	950
Impairment loss	28	225	2,001
Loss on sales of investment securities	—	0	1
Loss on valuation of investment securities	—	145	1,294
Loss on valuation of shares of subsidiaries and associates	—	135	1,204
Loss on sales of memberships	9	—	—
Loss on valuation of memberships	7	8	73
Compensation for damage	—	213	1,894
Loss on change in equity	—	99	886
Reversal of foreign currency translation adjustment	—	230	2,047
Total extraordinary losses	181	1,186	10,529
Profit before income taxes	32,211	35,961	319,147
Income taxes–current	10,062	13,277	117,834
Income taxes–deferred	1,305	(744)	(6,605)
Total income taxes	11,367	12,533	111,228
Profit	20,844	23,428	207,919
Profit (loss) attributable to non-controlling interests	292	(240)	(2,136)
Profit attributable to owners of parent	¥ 20,552	¥ 23,669	$ 210,055

	Yen		U.S. dollars
	2015	2016	2016
Amounts per common share:			
Profit attributable to owners of parent	¥94.67	¥109.09	$0.96
Cash dividends	20.00	24.00	0.21

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Profit	¥20,844	¥23,428	$207,919
Other comprehensive income:			
Valuation difference on available-for-sale securities	13,892	(7,654)	(67,927)
Foreign currency translation adjustment	1,230	(274)	(2,434)
Remeasurements of defined benefit plans, net of tax	6,054	(11,291)	(100,206)
Share of other comprehensive income of associates accounted for using equity method	36	(75)	(668)
Other comprehensive income	21,213	(19,295)	(171,237)
Comprehensive income	¥42,058	¥ 4,133	$ 36,681
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	¥41,562	¥ 4,533	$ 40,230
Comprehensive income attributable to non-controlling interests	495	(399)	(3,549)

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2015 and 2016

	Thousands	Millions of yen								
	Shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on avaiable-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Non-con-trolling interests	Total net assets
Balance at April 1, 2014	218,141	¥26,411	¥29,657	¥263,020	¥ (802)	¥27,602	¥ (347)	¥ (5,621)	¥1,444	¥341,364
Cumulative effects of changes in accounting policies				(1,447)						(1,447)
Restated balance		¥26,411	¥29,657	¥261,573	¥ (802)	¥27,602	¥ (347)	¥ (5,621)	¥1,444	¥339,916
Cash dividends				(4,125)						(4,125)
Profit attributable to owners of parent				20,552						20,552
Purchase of treasury stock					(177)					(177)
Disposal of treasury stock			0		0					0
Net changes of items other than shareholders' equity						13,889	1,067	6,054	481	21,492
Balance at April 1, 2015	218,141	¥26,411	¥29,657	¥277,999	¥ (978)	¥41,492	¥ 719	¥ 432	¥1,925	¥377,659
Cumulative effects of changes in accounting policies										—
Restated balance		26,411	29,657	277,999	(978)	41,492	719	432	1,925	377,659
Cash dividends				(4,990)						(4,990)
Profit attributable to owners of parent				23,669						23,669
Purchase of treasury stock					(54)					(54)
Disposal of treasury stock			0		0					0
Change of scope of consolidation			(25)	(159)						(185)
Net changes of items other than shareholders' equity						(7,637)	(259)	(11,291)	(388)	(19,577)
Balance at March 31, 2016	218,141	¥26,411	¥29,631	¥296,518	¥(1,032)	¥33,855	¥ 459	¥(10,859)	¥1,537	¥376,521

	Thousands	Thousands of U.S. dollars								
	Shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on avaiable-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Non-con-trolling interests	Total net assets
Balance at April 1, 2015	218,141	$234,393	$263,200	$2,467,161	$(8,687)	$368,233	$6,381	$ 3,836	$17,090	$3,351,610
Cumulative effects of changes in accounting policies										—
Restated balance		234,393	263,200	2,467,161	(8,687)	368,233	6,381	3,836	17,090	3,351,610
Cash dividends				(44,291)						(44,291)
Profit attributable to owners of parent				210,055						210,055
Purchase of treasury stock					(481)					(481)
Disposal of treasury stock			2		2					5
Change of scope of consolidation			(230)	(1,417)						(1,647)
Net changes of items other than shareholders' equity						(67,779)	(2,305)	(100,206)	(3,448)	(173,740)
Balance at March 31, 2016	218,141	$234,393	$262,972	$2,631,508	$(9,166)	$300,453	$4,075	$ (96,370)	$13,642	$3,341,510

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income taxes	¥ 32,211	¥ 35,961	$ 319,147
Adjustments for:			
Depreciation	4,451	4,523	40,140
Impairment loss	28	225	2,001
Loss (gain) on change in equity	—	99	886
Increase (decrease) in allowance for doubtful accounts	(501)	(631)	(5,606)
Increase (decrease) in provision for loss on construction contracts	(1,314)	(490)	(4,355)
Increase (decrease) in net defined benefit liability	203	456	4,053
Interest and dividends income	(1,794)	(1,962)	(17,413)
Interest expenses	293	261	2,320
Foreign exchange losses (gains)	(487)	28	255
Equity in (earnings) losses of affiliates	(10)	(156)	(1,389)
Loss (gain) on valuation of investment securities	—	145	1,294
Loss on valuation of shares of subsidiaries and associates	—	135	1,204
Loss on valuation of membership	7	8	73
Loss (gain) on sales of property, plant and equipment	(292)	3	34
Loss on retirement of property, plant and equipment	130	107	950
Loss (gain) on sales of investment securities	(88)	(1,753)	(15,559)
Reversal of foreign currency translation adjustment	—	230	2,047
Compensation for damage	—	213	1,894
Decrease (increase) in notes and accounts receivable–trade	18,241	(13,295)	(117,995)
Decrease (increase) in costs on uncompleted construction contracts	2,315	870	7,728
Decrease (increase) in other inventories	(196)	944	8,386
Decrease (increase) in net defined benefit asset	1,075	899	7,981
Increase (decrease) in notes and accounts payable–trade	(14,262)	(2,825)	(25,072)
Increase (decrease) in advances received on uncompleted construction contracts	(2,486)	314	2,791
Other	(523)	5,103	45,290
Sub-total	37,002	29,419	261,088
Interest and dividends income received	1,771	1,966	17,453
Interest expenses paid	(293)	(261)	(2,320)
Income taxes paid	(9,674)	(11,330)	(100,557)
Net cash provided by (used in) operating activities	28,805	19,793	175,664
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments into time deposits	(3,695)	(5,641)	(50,070)
Proceeds from withdrawal of time deposits	5,096	4,902	43,507
Proceeds from withdrawal deposit	—	5,000	44,373
Purchase of property, plant and equipment	(1,659)	(5,247)	(46,571)
Proceeds from sales of property, plant and equipment	261	5	48
Purchase of investment securities	(10,666)	(7,074)	(62,785)
Proceeds from sales and redemption of investment securities	4,170	7,337	65,118
Payments of loans receivable	(3)	—	—
Collection of loans receivable	80	20	178
Other	(301)	(200)	(1,776)
Net cash provided by (used in) investing activities	(6,718)	(898)	(7,978)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term loans payable	339	(949)	(8,424)
Purchase of treasury stock	(60)	(85)	(759)
Proceeds from sales of treasury stock	0	0	5
Cash dividends paid	(4,125)	(4,990)	(44,291)
Dividends paid to non-controlling interests	(13)	(15)	(139)
Other	(97)	(93)	(827)
Net cash provided by (used in) financing activities	(3,957)	(6,133)	(54,437)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	1,084	(476)	(4,225)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,214	12,284	109,023
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	74,343	93,558	830,299
DECREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM EXCLUSION OF SUBSIDIARIES FROM CONSOLIDATION	—	(49)	(441)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	¥ 93,558	¥ 105,793	$ 938,881

See the accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts and records maintained by KINDEN CORPORATION ("the Company") and its consolidated subsidiaries ("the Group"). The Company and its consolidated subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Financial Instruments and Exchange Law of Japan and in conformity with principles and practices generally accepted in Japan, which are different in certain respects from the accounting and disclosure requirements of international accounting standards.

The consolidated financial statements are prepared from the financial statements of the Company and its consolidated subsidiaries, which are filed with the Ministry of Finance as required by the Financial Instruments and Exchange Law of Japan.

The amounts stated in the accompanying consolidated financial statements are in Japanese yen. U.S. dollar amounts included in the accompanying consolidated financial statements and the notes to consolidated financial statements represent the arithmetic result of translating Japanese yen to U.S. dollar amounts on a basis of ¥112.68 to US$1, the fixed-market rate on March 31, 2016. U.S. dollar amounts are rounded down to the nearest thousand dollars. Such U.S. dollar amounts are not intended to imply that Japanese yen amounts have been converted, realized or settled in U.S. dollars, at that or any other rate.

2. Basis of Consolidation and Accounting of Investments in Affiliated Companies

(1) Consolidated subsidiaries: 18

(2) The names of the principal consolidated subsidiaries are as reported in Network on p.46 of the Annual Report.

Beginning in the fiscal year under review, former consolidated subsidiaries Kinden Pacific Corporation and Kinden International, Ltd., have no material impact on the consolidated financial statements and have been excluded from the scope of consolidation.

(3) Names of non-consolidated subsidiaries

Kinden Pacific Corporation
Kinden International, Ltd.
Kinden India Private Limited

Non-consolidated companies are excluded from the scope of consolidation because they are small companies and their totals of total assets, net sales, profit (proportionate to equity holding) and retained earnings (proportionate to equity holding) have no material effect on the consolidated financial statements.

3. Major Affiliates Accounted for by the Equity Method

(1) Number of affiliate accounted by the equity method: 1

(2) Name of affiliate accounted by the equity method

KINKA Corporation

Capital increases reduced the Company's equity ratio in Bintai Kinden Corporation Bhd., a former affiliate accounted for by the equity method. It has been excluded from the scope of affiliates accounted for by the equity method beginning in the fiscal year under review.

(3) Names of subsidiaries not accounted for by the equity method

Kinden Pacific Corporation
Kinden International, Ltd.
Kinden India Private Limited

(4) Names of affiliates not accounted for by the equity method

Yoshida Shisetsu Seibi SPC Ltd.
Otakanomori PFI Company, Limited
Sanyu Co., Ltd.

The 3 non-equity method non-consolidated subsidiaries and the 3 non-equity method affiliates are excluded from the application of the equity method owing to their having no material effect on profit (proportionate to equity holdings) and retained earnings (proportionate to equity holdings) and due to their having little significance in relation to the Company's overall position.

4. Fiscal Year-End of Consolidated Subsidiaries

Among the consolidated subsidiaries, the account closing date for US Kinden Corporation, Wasa Electrical Services, Inc., P.T. Kinden Indonesia, Kinden Phils Corporation, Kinden Vietnam Co., Ltd. and Kinden (Thailand) Co., Ltd. is December 31. The financial statements as of the account closing date are used in the preparation of the consolidated financial statements. The necessary adjustments are made to the consolidated financial statements for significant transactions that occur during the period from January 1 to March 31.

The fiscal year-end for consolidated subsidiaries other than those listed above is the same as the Company.

5. Summary of Significant Accounting Policies

(1) Standards and Methods for Valuing Assets

Securities

1) Held-to-maturity debt securities

Amortized cost method (Straight-line method)

2) Available-for-sale securities

Securities with quoted market values

Securities with quoted market values are stated at fair value on the consolidated account settlement date. (Net unrealized gains and losses on available-for-sale securities are reported directly to net assets. The costs of these securities are calculated based on the moving-average cost method.)

Securities without quoted market values

Securities without quoted market values are stated on a cost basis using the moving-average method.

Derivatives

Market value method

Inventories

1) Costs on uncompleted construction contracts

Costs on uncompleted construction contracts are stated at actual cost.

2) Raw materials and supplies

Raw materials and supplies are principally stated at most moving-average method. (The balance sheet amounts are determined by writing down the book value based on the decrease in profitability.)

(2) Method of Depreciation of Material Depreciable Assets

1) Tangible fixed assets (Excluding leased assets)

The Company and its domestic consolidated subsidiaries mainly compute depreciation of property, plant and equipment based on the declining-balance method, except that buildings and structures (excluding attached structures) acquired after April 1, 1998 are depreciated by the straight-line method. The overseas consolidated subsidiaries mainly compute depreciation of property, plant and equipment using the straight-line method.

Useful lives of principal assets are as follows:

Buildings and structures	10 to 50 years
Machinery and vehicles	3 to 22 years

2) Intangible assets (Excluding leased assets)

Straight-line method

Amortization of internal-use software is calculated by the straight-line method over the useful life of the asset in the Company (five years).

3) Leased assets

Leased assets related to finance leases that do not transfer ownership are depreciated using the straight-line method, with zero residual values and useful lives equal to lease terms.

(3) Accounting Basis for Allowances

1) Allowance for doubtful accounts

To make allowance for possible losses on receivables, including loans receivable and accounts receivable, the Company provided an amount to cover possible losses on collection. It consists of the estimated uncollectible amount calculated by applying the percentage of actual losses on collection to the remaining receivables experienced in the past and the identified doubtful receivables determined by management.

2) Provision for loss on construction contracts

To provide for future losses on construction orders, the Company makes allowance provisions for uncompleted construction contracts at year-end based on projected losses. The provision amount is determined by a rational estimate of the likely loss amount.

3) Provision for warranties for completed construction

To provide for possible future expenses under warranties for completed construction contracts, the Company makes allowance provisions for construction contracts completed during the fiscal year. The provision amount is determined based on estimates of claims on construction contracts for which the Company has warranty liability.

4) Provision for directors' bonuses

To provide for the payment of directors' bonuses, the Company makes allowance provisions for directors' bonuses based on the expected amount applicable to the fiscal year.

5) Provision for directors' retirement benefits

To provide for the payment of directors' retirement benefits, some of the domestic consolidated subsidiaries record provisions for benefits for retired directors in an actual amount equal to the need at the end of the consolidated fiscal year under review calculated based on company regulations.

(4) Retirement Benefits

1) Method of attributing expected benefit to period

To calculate retirement benefit obligation, the Company calculates the estimated amount of retirement benefits attributed to the consolidated fiscal year under review according to the benefit formula, while consolidated subsidiaries employ the straight-line attribution method.

2) Amortization of actuarial differences and prior service cost

Actuarial differences are amortized and allocated proportionately beginning with the year following the year in which the difference was incurred. Amortization is performed using the straight-line method over a set number of years (mainly 15 years), which falls within the average remaining years of service of the employees when the difference was incurred for each consolidated fiscal year.

Prior service cost is amortized using the straight-line method over a set number of years (15 years) falling within the average remaining years of service when such liabilities are incurred.

3) Accounting treatment of unrecognized actuarial gains and losses and unrecognized prior service costs

Unrecognized actuarial gains or losses and unrecognized prior service costs, net of tax effects, are recorded in accumulated other comprehensive income (remeasurements of defined benefit plans) under net assets.

4) Application of simplified methods for small companies

Certain of the Company's consolidated subsidiaries calculate the simplified method to calculate retirement benefit obligations and retirement benefit costs, stating retirement benefit obligations at the necessary payment amounts for voluntary retirement as of the end of the fiscal year.

(5) Recognition of Revenues and Costs of Construction Contracts

Net sales of completed construction contracts are determined based on the percentage-of-completion method (where progress of the work is estimated on the cost-to-cost basis) for the portion of construction in progress that is deemed certain to be completed by the fiscal year-end, and based on the completed-contract method for other work.

(6) Accounting for Hedging

1) Method for hedge accounting

Hedging activities are principally accounted for under the deferral hedge accounting method. If the criteria for appropriation are met, gains and losses on foreign exchange forward contracts are appropriated, and if the criteria for special cases are met, gains and losses on interest rate swaps are accounted for in a non-standard way.

2) Hedging instruments and hedged items

Hedging instruments

Foreign exchange forward contracts and interest rate swaps are used.

Hedged items

Loans, transactions expected to be denominated in foreign currencies, and accounts payable denominated in foreign currencies related to the importation of raw materials

3) Hedging policy

Based on internal regulations that stipulate items such as the authority for derivative trading and the scope of transactions, exchange-rate risks and interest-rate risks related to the hedged items are hedged to a certain degree.

4) Method for evaluating the effectiveness of hedges

A comparison of the accumulative changes in cash flows of the hedged items or the changes in exchange rates and the accumulative changes in cash flows of the hedging instruments or the changes in exchange rates are made every six months, and the effectiveness of hedges is evaluated based on the factors such as the amount of changes.

The evaluation of the effectiveness of the interest rate swaps accounted for using the non-standard method has been omitted.

(7) Amortization of Goodwill

Goodwill is amortized on a straight-line basis over the period of benefit up to 20 years. However, when the amount is immaterial, it is written off as an expense in the accounting period in which it was incurred.

(8) Scope of Cash on Consolidated Statements of Cash Flows

Cash and cash equivalents in the statements of cash flows consist of vault cash, deposits that can be withdrawn on demand, and short-term investments generally with maturities of 3 months or less, that are readily convertible to known amounts of cash and present insignificant risk of change in value.

(9) Other Material Items in Basis of Presentation of Consolidated Financial Statements

Accounting for consumption taxes

Consumption and local consumption taxes are accounted for by the tax-exclusion method. Consumption and local consumption taxes that do not qualify for deduction are written off as expenses in the consolidated fiscal year under review.

CHANGES IN ACCOUNTING POLICIES

Accounting Standard for Business Combinations

From the beginning of the subject fiscal year, the Company has applied “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereafter “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereafter “Consolidation Accounting Standard”) and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereafter “Business Divestitures Accounting Standard”), recording as capital surplus the variance on changes in equity interests in subsidiaries where the Company retains control, and changing the method for recording acquisition-related expenses as expenses for the consolidated fiscal year. Also, for business combinations conducted from the beginning of the subject fiscal year, the Company has changed to a method to reflect the revisions to the allocated amount of acquisition cost determined by provisional accounting treatment in the consolidated financial statements for the fiscal year of the date of the business combination. In addition, the Company has made changes to the presentation of profit, and changed the presentation of minority interests to non-controlling interests. The consolidated financial statements for the previous fiscal year have been reclassified to reflect the subject changes in presentation.

For the application of the Business Combinations Accounting Standard and other standards, the Company follows the transitional treatment prescribed by Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard, and Article 57-4 (4) of the Business Divestitures Accounting Standard applying such from the beginning of the subject fiscal year and going forward.

There is no effect on the consolidated financial statements as a result of this change.

NOTES TO CONSOLIDATED BALANCE SHEETS

1. The amounts of investment securities for non-consolidated subsidiaries and affiliates are as follows:

March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Investment securities–equity	¥2,182	**¥1,740**	**$15,446**

2. Assets pledged as collateral

The assets below are pledged as collateral for the loans of Kinden’s investment company, which operates the PFI business.

March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Investment securities–equity	¥22	**¥22**	**$199**
Investments and other assets–long-term loans receivable	21	**20**	**181**

3. Guarantee obligations

The Company guarantees bank loans and other obligations of non-consolidated companies.

March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
BAN-BAN Networks Co., Ltd.	¥20	**¥20**	**$186**
Kinden India Private Limited	15	**14**	**130**
Total	¥36	**¥35**	**$317**

(Note) Of the above-stated guarantee obligations, those denominated in foreign currencies were translated to yen at the rates prevailing in foreign exchange markets (middle rate) on March 31, 2016.

4. Reduction entry

The reduction entry amounts deducted from the acquisition cost of property, plant and equipment due to state subsidies are as follows:

March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Buildings and structures, machinery and vehicles	¥5,172	¥5,172	$45,902

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

1. The fiscal year-end balance of inventories is the written down book value based on decline in profitability, and the following loss (gain) on valuation of inventories is included in cost of sales of completed construction contracts.

For the fiscal years ended March 31

Millions of yen		Thousands of U.S. dollars
2015	2016	2016
¥(7)	¥7	$65

2. Provision for loss on construction contracts included in cost of sales of completed construction contracts is as follows:

For the fiscal years ended March 31

Millions of yen		Thousands of U.S. dollars
2015	2016	2016
¥401	¥389	$3,456

3. The principal expenses and amounts in selling, general and administrative expenses are as follows:

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Employees' salaries	¥20,173	¥22,149	$196,566
Retirement benefit expenses	1,981	1,792	15,909
Provision of allowance for doubtful accounts	(452)	(315)	(2,802)

4. Research and development expenses

The total amount of research and development expenses included in selling, general and administrative expenses is as follows:

For the fiscal years ended March 31

Millions of yen		Thousands of U.S. dollars
2015	2016	2016
¥394	¥450	$3,993

5. The breakdown of gain on sales of noncurrent assets is as follows:

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Buildings and structures	¥ —	¥0	$ 5
Machinery and vehicles	8	4	43
Tools, furniture and fixtures	2	0	5
Land	275	—	—
Total	¥286	¥6	$54

6. The breakdown of loss on sales of noncurrent assets is as follows:

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Buildings and structures	¥1	¥15	$137
Machinery and vehicles	1	1	17
Tools, furniture and fixtures	4	2	17
Land	—	0	1
Total	¥6	¥19	$174

7. Impairment loss

For the fiscal years ended March 31, 2015 and 2016, the Group recorded the following impairment losses for asset groups.

For the fiscal year ended March 31, 2015

Application	Location	Type	Millions of yen	Thousands of U.S. dollars
Idle assets	Kinki region:			
	5 properties	Land	¥11	$ 99
	Other: 6 properties	Land	16	136

The Group determines operating asset impairment losses for individual branches and subsidiaries based on management accounting categories. Impairment losses for idle assets are determined for individual asset groups.

Idle asset book values were written down to recoverable values in light of ongoing land price declines. Impairment losses in the amount of ¥28 million (US$235 thousand) were recorded.

All recoverable values of idle assets were determined based on net sales prices calculated as appraised values determined mainly in accordance with real estate appraisal standards, less estimated disposal costs.

For the fiscal year ended March 31, 2016

Application	Location	Type	Millions of yen	Thousands of U.S. dollars
Idle assets	Kinki region:			
	5 properties	Land and others	¥220	$1,954
	Other: 7 properties	Land	5	47

The Group determines operating asset impairment losses for individual branches and subsidiaries based on management accounting categories. Impairment losses for idle assets are determined for individual asset groups.

Idle asset book values were written down to recoverable values in light of ongoing land price declines. Impairment losses in the amount of ¥225 million (US$2,001 thousand) were recorded.

The recoverable amounts of said assets, all of which are determined by net selling price, are mainly calculated by performing reasonable adjustments to appraised values based on real estate appraisal standards.

NOTES TO CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification Adjustments and Tax Effects Relating to Other Comprehensive Income

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Valuation difference on available-for-sale securities			
Amount recorded during the period	¥18,520	¥(10,614)	$ (94,198)
Reclassification adjustments	(0)	(1,589)	(14,102)
Amount before tax effect adjustments	18,520	(12,203)	(108,301)
Tax effect	(4,627)	4,549	40,373
Valuation difference on available-for-sale securities	13,892	(7,654)	(67,927)
Foreign currency translation adjustment			
Amount recorded during the period	1,230	(504)	(4,481)
Reclassification adjustments	—	230	2,047
Foreign currency translation adjustment	1,230	(274)	(2,434)
Remeasurements of defined benefit plans, net of tax			
Amount recorded during the period	7,568	(17,545)	(155,712)
Reclassification adjustments	1,774	1,274	11,307
Amount before tax effect adjustments	9,343	(16,271)	(144,404)
Tax effect	(3,288)	4,980	44,197
Remeasurements of defined benefit plans, net of tax	6,054	(11,291)	(100,206)
Share of other comprehensive income of associates accounted for using equity method			
Amount recorded during the period	36	(75)	(668)
Total other comprehensive income	¥21,213	¥(19,295)	$(171,237)

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the fiscal year ended March 31, 2015

1. Matters related to class and number of issued shares and class and number of shares of treasury stock

	Thousands of shares			
	At April 1, 2014	Increase	Decrease	At March 31, 2015
Stock issued				
Common stock	218,141	—	—	218,141
Total	218,141	—	—	218,141
Treasury stock				
Common stock	1,009	135	0	1,144
Total	1,009	135	0	1,144

(Note) An increase of 135 thousand in the number of common treasury shares resulted from share purchases from untraceable shareholders (88 thousand shares) and purchases of shares constituting less than one trading unit (46 thousand shares).

A decrease in the number of common treasury shares resulted from the purchase and transfer of shares to top up holdings of less than one trading unit.

2. Matters related to dividends

(1) Dividend payment

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 25, 2014	Common stock	¥2,605 million	¥12.0	March 31, 2014	June 26, 2014
Board of Directors' Meeting on October 30, 2014	Common stock	¥1,519 million	¥7.0	September 30, 2014	November 28, 2014

(2) Dividends with a date of record during the fiscal year ended March 31, 2015 and an effective date during the next fiscal year

Resolution	Class of shares	Total dividends	Source of dividend funds	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 24, 2015	Common stock	¥2,820 million	Retained earnings	¥13.0	March 31, 2015	June 25, 2015

For the fiscal year ended March 31, 2016

1. Matters related to class and number of issued shares and class and number of shares of treasury stock

	Thousands of shares			
	At April 1, 2015	Increase	Decrease	At March 31, 2016
Stock issued				
Common stock	218,141	—	—	218,141
Total	218,141	—	—	218,141
Treasury stock				
Common stock	1,144	33	0	1,177
Total	1,144	33	0	1,177

(Note) An increase of 33 thousand in the number of common treasury shares resulted from purchases of shares constituting less than one trading unit.
A decrease of less than 0 thousand in the number of common treasury shares resulted from the purchase and transfer of shares to top up holdings of less than one trading unit.

2. Matters related to dividends

(1) Dividend payment

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 24, 2015	Common stock	¥2,820 million $25,035 thousand	¥13.0 $0.11	March 31, 2015	June 25, 2015
Board of Directors' Meeting on October 28, 2015	Common stock	¥2,169 million $19,256 thousand	¥10.0 $0.08	September 30, 2015	November 27, 2015

(2) Dividends with a date of record during the current fiscal year ended March 31, 2016 and an effective date during the next fiscal year

Resolution	Class of shares	Total dividends	Source of dividend funds	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 24, 2016	Common stock	¥3,037 million $26,956 thousand	Retained earnings	¥14.0 $0.12	March 31, 2016	June 27, 2016

NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

1. Reconciliation of cash and cash equivalents at the end of period in the consolidated statements of cash flows to amounts in items shown on the consolidated balance sheets

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2015	**2016**	**2016**
Cash and deposits	¥40,033	**¥ 40,431**	**$358,815**
Deposits with maturities longer than 3 months	(3,475)	**(4,638)**	**(41,162)**
Short-term investment with maturities within 3 months after the date of acquisition	57,000	**70,000**	**621,228**
Cash and cash equivalents	¥93,558	**¥105,793**	**$938,881**

LEASE TRANSACTIONS

Information on leases has been omitted due to lack of materiality.

FINANCIAL INSTRUMENTS

1. State of Financial Instruments

(1) Policies on financial instruments

The Group manages its financial assets through a low-risk combination of primarily short-term (one year or less) and medium- and long-term operations, and secures short-term working capital through bank borrowings.

Derivatives are used to avoid exchange rate and other fluctuation risks, and not for speculative investment purposes.

(2) Financial instruments and related risks and risk management measures

Notes receivable, accounts receivable from completed construction contracts and other are subject to customer credit risk. This risk is addressed by managing receivables from each customer according to due date and outstanding balance, and by maintaining up-to-date information on the creditworthiness of major customers.

Investment securities in the form of stock holdings consist mainly of shares in companies with which there exist business relationships. These holdings are subject to market price fluctuation risk, and important matters are reported on in Management Meetings.

Notes payable, accounts payable for construction contracts and other are nearly all due within one year.

Short-term loans payable consist mainly of capital borrowed in connection with business transactions.

For foreign exchange forward contracts, hedging accounting is applied to derivatives to avoid exchange rate fluctuation risks for foreign-currency-denominated accounts payable and prospective foreign-currency-denominated transactions for the importation of raw materials. The method for evaluating the effectiveness of hedges is discussed under "Basis of Presenting Consolidated Financial Statements, (6) Accounting for Hedging" in "5. Summary of Significant Accounting Policies."

Derivative transactions are undertaken and managed based on internal regulations stipulating the authority for derivative trading and scope of transactions.

Derivatives are undertaken only with financial institutions with high credit ratings to reduce credit risk.

Trade payables and borrowings are subject to liquidity risk, which the Group manages by, for example, having each Group member prepare a monthly cash flow plan.

(3) Supplementary explanations regarding market values of financial instruments, etc.

Market values of financial instruments are determined based on market prices when they are available and reasonable estimates when they are not. Estimates incorporate variables that, if changed, may cause estimated values to change.

2. Market Values of Financial Instruments

The book values appearing on the consolidated balance sheets, market values of financial instruments, and the differences between these values were as shown below. Information on those instruments for which it was impractical to determine market values is not shown (refer to Note 2).

March 31, 2015

	Millions of yen		
	Book value	Market value	Difference
(1) Cash and deposits	¥ 40,033	¥ 40,033	¥ —
(2) Notes receivable, accounts receivable from completed construction contracts and other*	177,055	177,055	(0)
(3) Short-term investment securities and investment securities	172,098	171,975	(123)
(4) Deposits paid	5,000	5,000	—
Total assets	¥394,188	¥394,064	¥(124)
(1) Notes payable, accounts payable for construction contracts and other	71,123	71,123	—
(2) Short-term loans payable	17,289	17,289	—
Total liabilities	¥ 88,412	¥ 88,412	¥ —
Derivatives	—	—	—

*The allowance for doubtful accounts corresponding to notes receivable, accounts receivable from completed construction contracts and other is deducted.

March 31, 2016

	Millions of yen		
	Book value	Market value	Difference
(1) Cash and deposits	¥ 40,431	¥ 40,431	¥ —
(2) Notes receivable, accounts receivable from completed construction contracts and other*	190,416	190,416	—
(3) Short-term investment securities and investment securities	174,472	174,580	108
Total assets	¥405,320	¥405,428	¥108
(1) Notes payable, accounts payable for construction contracts and other	67,881	67,881	—
(2) Short-term loans payable	16,340	16,340	—
Total liabilities	¥ 84,221	¥ 84,221	¥ —
Derivatives	—	—	—

*The allowance for doubtful accounts corresponding to notes receivable, accounts receivable from completed construction contracts and other is deducted.

March 31, 2016

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Cash and deposits	$ 358,815	$ 358,815	$ —
(2) Notes receivable, accounts receivable from completed construction contracts and other*	1,689,890	1,689,890	—
(3) Short-term investment securities and investment securities	1,548,385	1,549,344	959
Total assets	$3,597,091	$3,598,051	$959
(1) Notes payable, accounts payable for construction contracts and other	602,427	602,427	—
(2) Short-term loans payable	145,012	145,012	—
Total liabilities	$ 747,440	$ 747,440	$ —
Derivatives	—	—	—

*The allowance for doubtful accounts corresponding to notes receivable, accounts receivable from completed construction contracts and other is deducted.

(Note 1) Method for determining market values for financial instruments, and matters regarding short-term investment securities

Assets

(1) Cash and deposits

Deposits are all short-term, so market values and book values are nearly the same. Market values for deposits, therefore, were determined to be the same as book values.

(2) Notes receivable, accounts receivable from completed construction contracts and other
The market values of these assets were determined as the present values of individual receivables classified by time period and discounted at rates reflecting credit risk through to maturity for each receivable.
(3) Short-term investment securities and investment securities
The market values of these assets were determined based on stock exchange prices in the case of stocks, and market prices or values provided by counterparty financial institutions in the case of bonds. Negotiable deposits are short-term, so market values and book values are nearly the same. Market values for negotiable deposits, therefore, were determined to be the same as book values.

Liabilities

(1) Notes payable, accounts payable for construction contracts and other and (2) Short-term loans payable
These liabilities are short-term, so market values and book values are nearly the same. Market values for these liabilities, therefore, were determined to be the same as book values.

(Note 2) Amount entered on the consolidated balance sheet for financial products for which it is extremely impractical to determine market value

March 31

	Millions of yen		Thousands of U.S. dollars
	2015	**2016**	**2016**
Unlisted stocks, etc.	¥4,821	**¥4,749**	**$42,147**

As it is deemed impossible to determine market value without a market price, they are not included under (3) Short-term investment securities and investment securities.

(Note 3) Estimated values of financial receivables and securities with maturity dates beyond the consolidated balance sheet date

March 31, 2015

	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	¥ 40,033	¥ —	¥—	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	180,540	25	29	121
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	4,300	21,966	—	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	57,000	—	—	—
Deposits paid	5,000	—	—	—
Total	¥286,874	¥21,991	¥29	¥121

March 31, 2016

	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	¥ 40,431	¥ —	¥ —	¥—
Notes receivable, accounts receivable from completed construction contracts and other	193,762	—	—	—
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	10,959	15,905	1,500	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	70,000	—	—	—
Total	¥315,153	¥15,905	¥1,500	¥—

March 31, 2016

	Thousands of U.S. dollars			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	$ 358,815	$ —	$ —	$—
Notes receivable, accounts receivable from completed construction contracts and other	1,719,583	—	—	—
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	97,257	141,151	13,312	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	621,228	—	—	—
Total	$2,796,885	$141,151	$13,312	$—

(Note 4) As for the amount of lease obligations due beyond the consolidated balance sheet date, see Schedule of Outstanding Loans, etc. in the Consolidated Supplemental Schedules.

SECURITIES

1. Held-to-Maturity Debt Securities

March 31, 2015

	Millions of yen		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Bonds payable	¥14,601	¥14,759	¥157
Subtotal	14,601	14,759	157
(2) Securities whose market value is equal to or lower than the book value			
Bonds payable	11,786	11,690	(96)
Negotiable certificates of deposit	57,000	57,000	—
Subtotal	68,786	68,690	(96)
Total	¥83,388	¥83,449	¥ 61

March 31, 2016

	Millions of yen		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Bonds payable	¥19,239	¥19,387	¥147
Subtotal	19,239	19,387	147
(2) Securities whose market value is equal to or lower than the book value			
Bonds payable	9,208	9,168	(39)
Negotiable certificates of deposit	70,000	70,000	—
Subtotal	79,208	79,168	(39)
Total	¥98,447	¥98,555	¥108

March 31, 2016

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Bonds payable	$170,748	$172,060	$1,312
Subtotal	170,748	172,060	1,312
(2) Securities whose market value is equal to or lower than the book value			
Bonds payable	81,718	81,364	(353)
Negotiable certificates of deposit	621,228	621,228	—
Subtotal	702,946	702,593	(353)
Total	$873,694	$874,653	$ 959

2. Other Securities

March 31, 2015

	Millions of yen		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	¥87,250	¥27,492	¥59,757
Subtotal	87,250	27,492	59,757
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	499	541	(41)
Other	562	562	—
Subtotal	1,061	1,103	(41)
Total	¥88,312	¥28,596	¥59,715

March 31, 2016

	Millions of yen		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	¥71,856	¥23,868	¥47,988
Subtotal	71,856	23,868	47,988
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	3,585	4,060	(475)
Other	582	582	—
Subtotal	4,167	4,642	(475)
Total	¥76,024	¥28,511	¥47,512

March 31, 2016

	Thousands of U.S. dollars		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	$637,708	$211,828	$425,879
Subtotal	637,708	211,828	425,879
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	31,816	36,037	(4,221)
Other	5,166	5,166	—
Subtotal	36,982	41,204	(4,221)
Total	$674,691	$253,032	$421,658

3. Available-for-Sale Securities Sold

For the fiscal year ended March 31, 2015

	Millions of yen		
	Sold	Total gain on sales	Total loss on sales
Equity	¥120	¥88	¥—
Total	¥120	¥88	¥—

For the fiscal year ended March 31, 2016

	Millions of yen		
	Sold	Total gain on sales	Total loss on sales
Equity	¥2,991	¥1,753	¥0
Total	¥2,991	¥1,753	¥0

For the fiscal year ended March 31, 2016

	Thousands of U.S. dollars		
	Sold	Total gain on sales	Total loss on sales
Equity	$26,546	$15,560	$1
Total	$26,546	$15,560	$1

4. Impairment Loss on Securities

For the fiscal year ended March 31, 2015

No impairment was conducted on available-for-sale securities.

The Group determines impairment loss on the stocks in question based on "significant decline," which it defines as a decline of 30% or higher in the market value for stocks with market values and a decline of 30% or higher in the amount obtained by multiplying the number of stocks held by net assets per share from the acquisition cost for stocks without market values respectively.

For the fiscal year ended March 31, 2016

During the fiscal year ended March 31, 2016, the Company recognized impairment loss on securities of ¥145 million. Among available-for-sale securities, the Company recognized impairment loss of ¥124 million on stocks with market values and ¥21 million on stocks without market values.

The Group determines impairment loss on the stocks in question based on "significant decline," which it defines as a decline of 30% or higher in the market value for stocks with market values and a decline of 30% or higher in the amount obtained by multiplying the number of stocks held by net assets per share from the acquisition cost for stocks without market values respectively.

DERIVATIVE TRANSACTIONS

For the fiscal years ended March 31, 2015 and 2016

Not applicable.

RETIREMENT BENEFITS

1. Outline of the Adopted Retirement Benefit Plan

The Company has adopted funded and unfunded defined plans in order to provide employees retirement benefits.

Some of the consolidated subsidiaries subscribe to funded and unfunded defined benefit plans and the Retirement Allowance Mutual Aid System.

2. Defined Benefit Plan

(1) Reconciliation schedule for opening and closing balances of projected benefit obligations

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Opening balance of projected benefit obligations	¥112,020	**¥114,442**	**$1,015,641**
Cumulative effects of changes in accounting policies	2,247	**—**	**—**
Restated balance	114,267	**114,442**	**1,015,641**
Service cost	4,445	**4,431**	**39,332**
Interest cost	1,341	**1,345**	**11,939**
Actuarial loss	(713)	**17,380**	**154,248**
Retirement benefits provided	(4,898)	**(4,464)**	**(39,621)**
Closing balance of projected benefit obligations	¥114,442	**¥133,135**	**$1,181,540**

(Note) Some of the consolidated subsidiaries calculate employees' retirement benefit obligation by the simplified method.

(2) Reconciliation schedule for opening and closing balances of plan assets

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Opening balance of plan assets	¥ 95,308	**¥103,529**	**$918,790**
Expected return on plan assets	1,895	**2,059**	**18,281**
Actuarial gain	6,855	**(164)**	**(1,463)**
Contribution of employer	3,211	**2,710**	**24,056**
Retirement benefits paid	(3,741)	**(3,524)**	**(31,277)**
Closing balance of plan assets	¥103,529	**¥104,610**	**$928,386**

(3) Reconciliation schedule for the closing balance of projected benefit obligations and plan assets, and for liabilities and assets related to retirement benefits recorded in the consolidated balance sheet

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Projected benefit obligations, funded plan	¥ 99,036	¥116,034	$1,029,770
Plan assets	(103,529)	(104,610)	(928,386)
	(4,492)	11,423	101,384
Projected benefit obligations, unfunded plan	15,405	17,101	151,770
Net amount of liabilities and assets recognized in the consolidated balance sheets	10,913	28,525	253,154
Liabilities related to retirement benefits	15,498	28,525	253,154
Assets related to retirement benefits	(4,585)	—	—
Net amount of liabilities and assets recorded on the balance sheet	¥ 10,913	¥ 28,525	$ 253,154

(4) Value of retirement benefit expenses, and items in the breakdown thereof

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Service cost (Note)	¥ 4,445	¥ 4,431	$ 39,332
Interest cost	1,341	1,345	11,939
Expected return on plan assets	(1,895)	(2,059)	(18,281)
Amortization value of actuarial loss	2,338	1,838	16,312
Amortization value of prior service cost	(563)	(563)	(5,004)
Retirement benefit expenses related to defined benefit plans	¥ 5,666	¥ 4,991	$ 44,297

(Note) Employees' retirement cost of consolidated subsidiaries that calculate employees' retirement benefits by the simplified method is included in Service cost.

(5) Remeasurements of defined benefit plans, before tax

A breakdown of remeasurements of defined benefit plans, before tax is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Prior service cost	¥ 563	¥ 563	$ 5,004
Actuarial gains and losses	(9,906)	15,707	139,399
Total	¥(9,343)	¥16,271	$144,404

(6) Remeasurements of defined benefit plans

The breakdown of items recorded in remeasurements of defined benefit plans (before tax effect deductions) is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Unrecognized prior service cost	¥(6,202)	¥ (5,638)	$ (50,044)
Unrecognized actuarial loss	5,568	21,276	188,820
Total	¥ (634)	¥15,637	$138,776

(7) Items concerning plan assets

(a) Primary breakdown of plan assets

The ratio for each main category with respect to total plan assets is as follows:

	2015	2016
Domestic bonds	44%	45%
Domestic equities	13	14
Foreign bonds	6	6
Foreign equities	10	9
Insurance assets (General account)	26	25
Cash and deposits	0	0
Others	1	0
Total	100%	100%

(b) Method for establishing the long-term expected rate of return

The long-term expected rate of return is to be determined considering the current and future allocation of plan assets, and the current and expected long-term rate of return from the diverse assets composing the plan assets.

(8) Items concerning actuary calculation bases

Main actuary calculation bases for the current fiscal year

	2015	2016
Discount rate	1.2%, 0.8%	0.29%, 0.8%
Long-term expected rate of return	2.0%, 1.2%	2.0%, 1.2%

DEFERRED TAX ACCOUNTING

1. Principal Components of Deferred Tax Assets and Liabilities

March 31

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Deferred tax assets:			
Allowance for doubtful accounts	¥ 2,136	¥ 1,829	$ 16,235
Accrued expenses	3,108	3,970	35,233
Accrued enterprise tax	620	731	6,488
Net defined benefit liability	3,735	8,734	77,518
Loss on valuation of investment securities	1,175	995	8,830
Loss on valuation of memberships	473	424	3,766
Impairment loss	391	380	3,376
Provision for loss on construction contracts	331	158	1,408
Unrealized gains	953	905	8,033
Others	3,568	2,572	22,825
Subtotal of deferred tax assets	16,495	20,701	183,717
Valuation allowance	(7,056)	(5,727)	(50,827)
Total deferred tax assets	¥ 9,439	¥ 14,974	$ 132,890
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(18,207)	(13,659)	(121,225)
Reserve for advanced depreciation of noncurrent assets	(105)	(100)	(887)
Others	(380)	(176)	(1,562)
Total deferred tax liabilities	¥(18,693)	¥(13,935)	$(123,675)
Net deferred tax assets	¥ (9,253)	¥ 1,038	$ 9,214

2. Breakdown of the Main Factors in Difference Between the Effective Statutory Tax Rate and the Effective Tax Rate after Adopting Tax Effect Accounting

March 31

	2015	2016
Effective statutory tax rate	This disclosure is omitted as the difference between the effective statutory tax rate and the effective tax rate after adopting tax effect accounting is 5% or less of the effective statutory tax rate.	33.0%
(Adjustments)		
Permanently non-deductible items		2.1
Permanently non-taxable items		(0.2)
Increase/decrease in valuation allowance		(2.8)
Downward revision of year-end deferred tax assets due to change in tax rate		1.5
Other		1.3
Corporate tax, etc., overage ratio after application of tax effect accounting		34.9

3. Revisions to Deferred Tax Assets and Deferred Tax Liabilities Owing to Changes in Corporate Tax Rates

Partial revisions to the Income Tax Act (No. 15, 2016) and the Local Tax Act (No. 13, 2016) were passed by the National Diet on March 29, 2016, reducing corporate tax rates from the consolidated fiscal year beginning on April 1, 2016. Accordingly, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities will be reduced from 32.2% in the previous consolidated fiscal year to 30.8% in the consolidated fiscal year beginning on April 1, 2016, due to temporary differences expected from this resolution, and then to 30.6% in the consolidate fiscal year beginning on April 1, 2017, due to temporary differences expected from this resolution.

As a result of these taxation rate changes, current asset deferred tax assets will decrease ¥347 million (US$3,082 thousand), noncurrent asset deferred tax assets will decrease ¥2 million (US$18 thousand) and noncurrent liability deferred tax liabilities will decrease ¥272 million (US$2,421 thousand). Deferred income taxes will increase ¥540 million (US$4,800 thousand), valuation difference on available-for-sale securities will increase ¥1,892 million (US$16,792 thousand) and remeasurements of defined benefit plans will increase ¥249 million (US$2,217 thousand.)

ASSET RETIREMENT OBLIGATION

For the fiscal years ended March 31, 2015 and 2016

The Company, through a subsidiary that engages in the wind power generation business, retains an obligation relating to the removal of equipment and facilities and the return of land to its original state at the termination of surface usage right agreements and land lease agreements. As the usage period of leased assets related to this obligation and the planned removal of future equipment and facilities remain unclear, the Company has not recognized an asset retirement obligation relating to the aforementioned obligation because the Company is unable to accurately estimate said asset retirement obligation.

INVESTMENT AND RENTAL PROPERTIES

For the fiscal years ended March 31, 2015 and 2016

Information on rental and other real estate has been omitted due to lack of materiality.

SEGMENT INFORMATION

Segment Information

For the fiscal years ended March 31, 2015 and 2016

The Company has only one reporting segment, the Facility Construction Business, and, therefore, does not report segment information.

Related Information

For the fiscal year ended March 31, 2015

(1) Information by products and services

Sales to external customers of individual products and services accounted for more than 90% of net sales reported on the consolidated statements of income and, therefore, does not report.

(2) Information by geographical region

(a) Net sales

Sales to external customers in Japan accounted for more than 90% of net sales reported on the consolidated statements of income and, therefore, does not report.

(b) Property, plant and equipment

The value of property, plant and equipment located in Japan accounts for more than 90% of property, plant and equipment reported on the consolidated balance sheets and, therefore, does not report.

(3) Information for main customers

Customer name	Net sales Millions of yen	Related segment
The Kansai Electric Power Co., Inc.	¥69,782	Facility Construction Business

For the fiscal year ended March 31, 2016

(1) Information by products and services

Sales to external customers of individual products and services accounted for more than 90% of net sales reported on the consolidated statements of income and, therefore, does not report.

(2) Information by geographical region

(a) Net sales

Sales to external customers in Japan accounted for more than 90% of net sales reported on the consolidated statements of income and, therefore, does not report.

(b) Property, plant and equipment

The value of property, plant and equipment located in Japan accounts for more than 90% of property, plant and equipment reported on the consolidated balance sheets and, therefore, does not report.

(3) Information for main customers

	Net sales		
Customer name	Millions of yen	Thousands of U.S. dollars	Related segment
The Kansai Electric Power Co., Inc.	¥63,246	$561,295	Facility Construction Business

Information about Impairment Loss on Noncurrent Assets for Each Reporting Segment

For the fiscal years ended March 31, 2015 and 2016

This disclosure is omitted as the Company has only one reporting segment, the Facility Construction Business.

Information about Amortization of Goodwill and the Balance of Unamortized Goodwill for Each Reporting Segment

For the fiscal years ended March 31, 2015 and 2016

Not applicable.

Information about Gain on Negative Goodwill for Each Reporting Segment

For the fiscal years ended March 31, 2015 and 2016

Not applicable.

RELATED-PARTY TRANSACTIONS

1. Transactions between Related Parties

Transactions between the Company and Related Parties

Transactions between the parent company of the Company and major shareholders (companies, etc., only), etc.

For the fiscal year ended March 31, 2015

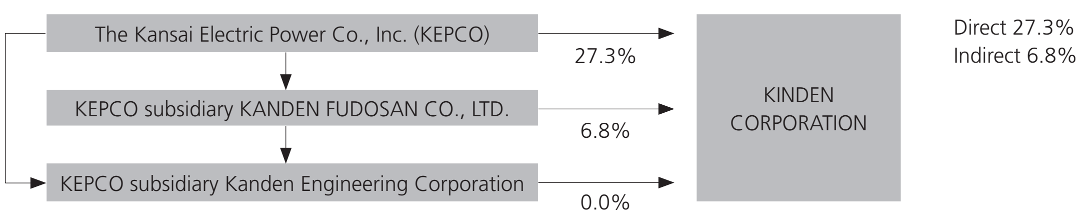
<table>
<tr><th>Type of transaction</th><th>Name of company or individual (address)</th><th>Capital stock or investment</th><th>Description of business or position</th><th>Percentage of voting rights held</th><th colspan="2">Transactions between related parties</th></tr>
<tr><td rowspan="5">Other affiliates</td><td rowspan="5">The Kansai Electric Power Co., Inc. (Kita-ku, Osaka)</td><td>¥489,320 million</td><td>Electric power business</td><td>(Held)
Direct Indirect
27.3% 6.8%
[See Figure 1]</td><td colspan="2">Receipt of orders for power distribution lining and transmission line construction, etc.
Concurrent service of directors</td></tr>
<tr><td colspan="2">Description of transaction</td><td>Amount of transaction</td><td>Account</td><td>Balance at the end of the fiscal year</td></tr>
<tr><td rowspan="3">Operating transactions</td><td rowspan="2">Electrical projects orders</td><td rowspan="2">¥68,470 million</td><td>Accounts receivable from completed construction contracts</td><td>¥11,908 million</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥369 million</td></tr>
<tr><td>Purchases of construction materials</td><td>¥11,726 million</td><td>Accounts payable for construction contracts</td><td>¥1,268 million</td></tr>
</table>

(Note 1) Consumption taxes are not included in transaction amounts above, but are included in the balance at the end of the fiscal year.

(Note 2) Terms of transactions and policy for determining terms of transactions, etc.

With regard to orders for electrical construction, on which materials purchases involve the purchase of materials supplied at profit, the Company concludes construction service contracts at appropriate prices considering market prices and other factors, after negotiating costs, including on materials purchases.

Figure 1



(Note 3) Percentage of voting rights held is calculated based on the number of shares with voting rights owned as of March 31, 2015.

For the fiscal year ended March 31, 2016

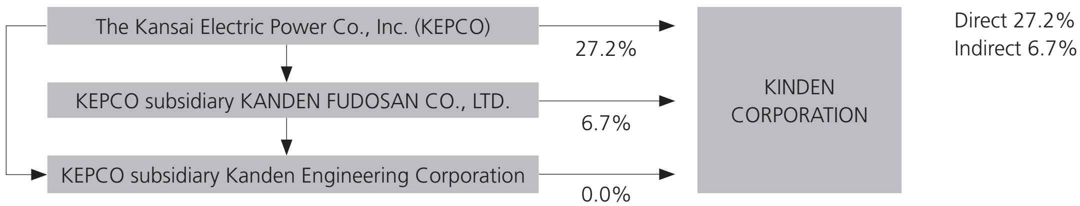
<table>
<tr><th>Type of transaction</th><th>Name of company or individual (address)</th><th>Capital stock or investment</th><th>Description of business or position</th><th>Percentage of voting rights held</th><th colspan="2">Transactions between related parties</th></tr>
<tr><td rowspan="4">Other affiliates</td><td rowspan="4">The Kansai Electric Power Co., Inc. (Kita-ku, Osaka)</td><td>¥489,320 million
$4,342,569 thousand</td><td>Electric power business</td><td>(Held)
Direct Indirect
27.2% 6.7%
[See Figure 1]</td><td colspan="2">Receipt of orders for power distribution lining and transmission line construction, etc.
Concurrent service of directors</td></tr>
<tr><td colspan="2">Description of transaction</td><td>Amount of transaction</td><td>Account</td><td>Balance at the end of the fiscal year</td></tr>
<tr><td rowspan="2">Operating transactions</td><td rowspan="2">Electrical projects orders</td><td rowspan="2">¥62,061 million
$550,776 thousand</td><td>Accounts receivable from completed construction contracts</td><td>¥10,613 million
$94,194 thousand</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥456 million
$4,051 thousand</td></tr>
</table>

(Note 1) Consumption taxes are not included in transaction amounts above, but are included in the balance at the end of the fiscal year.

(Note 2) Terms of transactions and policy for determining terms of transactions, etc.

With regard to orders for electrical construction, the Company concludes construction service contracts at appropriate prices considering market prices and other factors, after negotiating costs, including on materials purchases and other factors.

Figure 1



KANDEN FUDOSAN CO., LTD. changed its name to Kanden Realty & Development Co., Ltd. on April 1, 2016.

(Note 3) Percentage of voting rights held is calculated based on the number of shares with voting rights owned as of March 31, 2016.

Transactions between the Company and companies, etc., with the same parent company and subsidiaries, etc., of other affiliates of the Company
For the fiscal year ended March 31, 2015

Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties	
Subsidiaries of other affiliates	Kansai Power Business Support Corporation (Kita-ku, Osaka)	¥10 million	Money lending and payment intermediation business	—	Deposit of funds	
		Description of transaction		Amount of transaction	Account	Balance at the end of the fiscal year
		Deposit of funds		¥— million	Deposits	¥5,000 million

(Note) The rate of interest on deposits is determined with reference to the market rate.

For the fiscal year ended March 31, 2016
Not applicable.

2. Notes Concerning the Parent Company or Important Affiliates
Not applicable.

AMOUNTS PER COMMON SHARE

For the fiscal years ended March 31

	Yen		U.S. dollars
	2015	2016	2016
Net assets per common share	¥1,731.52	**¥1,728.33**	**$15.33**
Profit attributable to owners of parent per common share	94.67	**109.09**	**0.96**

(Note 1) Profit attributable to owners of parent per common share adjusted for latent shares is not stated because there are no latent shares.
(Note 2) The basis for calculating profit attributable to owners of parent per common share is as follows.

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Profit attributable to owners of parent	¥20,552	**¥23,669**	**$210,055**
Amount not attributable to ordinary shareholders	—	**—**	**—**
Profit attributable to owners of parent applicable to common stock	20,552	**23,669**	**210,055**

	Thousands of shares	
	2015	2016
Average number of common stock outstanding for each period	217,097	**216,977**

(Note 3) The basis for calculating net assets per share is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Total net assets	¥377,659	**¥376,521**	**$3,341,510**
Amounts deducted from total net assets	1,925	**1,537**	**13,642**
Non-controlling interests	1,925	**1,537**	**13,642**
Total net assets related to common stock	375,733	**374,984**	**3,327,867**

	Thousands of shares	
	2015	2016
Number of common stock used to calculate net assets per share	216,996	**216,963**

SUBSEQUENT EVENTS

Not applicable.

CONSOLIDATED SUPPLEMENTAL SCHEDULES

Schedule of Corporate Bonds

Not applicable.

Schedule of Outstanding Loans, etc.

	At March 31, 2015	At March 31, 2016	Average rate	Due date
Short-term loans payable	¥17,289 million $143,872 thousand	¥16,340 million $145,012 thousand	1.424%	—
Current portion of long-term loans payable	—	—	—	—
Current portion of lease obligations	¥71 million $597 thousand	¥257 million $2,287 thousand	—	—
Long-term loans payable (Excluding current portion of long-term loans payable)	—	—	—	—
Lease obligations (Excluding current portion of lease obligations)	¥148 million $1,239 thousand	¥173 million $1,539 thousand	—	From 2017 to 2020
Other interest-bearing debt	—	—	—	—
Total	¥17,509 million $145,708 thousand	¥16,771 million $148,839 thousand	—	—

(Note 1) Average interest rate is weighted average interest rate for the balance of outstanding loans at the end of the fiscal year.
Average interest rate for lease obligations is not shown because the amount equivalent to interest included in total lease fees is allocated to each consolidated fiscal year using the straight-line method.

(Note 2) The aggregate annual maturities of lease obligations within five years after March 31, 2016 (except for those scheduled for repayment within one year) are as follows:

	Over 1 to within 2 years	Over 2 to within 3 years	Over 3 to within 4 years	Over 4 to 5 within years
Lease obligations	¥87 million $777 thousand	¥70 million $622 thousand	¥11 million $103 thousand	¥4 million $36 thousand

Schedule of Asset Retirement Obligations

Not applicable.

OTHERS

Quarterly Information for the Fiscal Year ended March 31, 2016

(Cumulative period)	One quarter	Two quarters	Three quarters	Full year
Net sales	¥94,463 million $838,330 thousand	¥205,399 million $1,822,855 thousand	¥319,057 million $2,831,533 thousand	¥475,345 million $4,218,544 thousand
Profit before income taxes	¥4,130 million $36,660 thousand	¥11,433 million $101,468 thousand	¥20,089 million $178,289 thousand	¥35,961 million $319,147 thousand
Profit attributable to owners of parent	¥2,490 million $22,100 thousand	¥7,436 million $65,995 thousand	¥13,247 million $117,568 thousand	¥23,669 million $210,055 thousand
Profit attributable to owners of parent per common share	¥11.48 $0.10	¥34.27 $0.30	¥61.05 $0.54	¥109.09 $0.96

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Profit attributable to owners of parent per common share	¥11.48 $0.10	¥22.80 $0.20	¥26.78 $0.23	¥48.03 $0.42

Independent Auditors' Report

PKF HIBIKI AUDIT CORPORATION
4F KITAHAMA YAMAMOTO BLDG.
2-3-6 KITAHAMA, CHUO-KU,
OSAKA, 541-0041, JAPAN

To the Board of Directors of
KINDEN CORPORATION

We have audited the accompanying consolidated balance sheets of KINDEN CORPORATION and consolidated subsidiaries (the "Company") as of March 31, 2016, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year ended March 31, 2016 and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express independently an opinion on these consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of KINDEN CORPORATION and consolidated subsidiaries as of March 31, 2016, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1 to the consolidated financial statements.

PKF Hibiki Audit Corporation

June 24, 2016
PKF HIBIKI AUDIT CORPORATION

Non-Consolidated Statements of Income

KINDEN CORPORATION
For the fiscal years ended March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Net sales of completed construction contracts	¥403,363	¥416,293	$3,694,474
Cost of sales of completed construction contracts	344,726	348,829	3,095,756
Gross profit on completed construction contracts	58,637	67,463	598,717
Selling, general and administrative expenses	36,172	39,299	348,772
Operating income	22,464	28,163	249,944
Non-operating income:			
Interest income	382	322	2,859
Interest on securities	234	233	2,070
Dividends income	2,126	2,479	22,003
Foreign exchange gains	726	—	—
Other	566	475	4,219
Total non-operating income	4,035	3,510	31,152
Non-operating expenses:			
Interest expenses	256	250	2,221
Provision of allowance for doubtful accounts	62	—	—
Foreign exchange losses	—	439	3,899
Condolence money	70	56	503
Other	165	250	2,227
Total non-operating expenses	554	997	8,851
Ordinary income	25,945	30,676	272,245
Extraordinary income:			
Gain on sales of noncurrent assets	275	4	37
Gain on sales of investment securities	88	1,753	15,560
Gain on sales of memberships	21	9	85
Reversal of allowance for investment loss	—	1,902	16,879
Total extraordinary income	385	3,669	32,563
Extraordinary losses:			
Loss on sales of noncurrent assets	6	2	19
Loss on retirement of noncurrent assets	91	70	626
Impairment loss	28	13	115
Loss on sales of investment securities	—	0	1
Loss on valuation of investment securities	—	145	1,294
Loss on valuation of shares of subsidiaries and associates	—	135	1,204
Loss on sales of memberships	5	—	—
Loss on valuation of memberships	6	5	47
Compensation for damage	—	213	1,894
Total extraordinary losses	138	586	5,204
Profit before income taxes	26,192	33,759	299,604
Income taxes:			
Income taxes–current	8,543	11,598	102,934
Income taxes–deferred	1,565	(994)	(8,821)
Total income taxes	10,108	10,604	94,112
Profit	¥ 16,083	¥ 23,154	$ 205,492

	Yen		U.S. dollars
	2015	2016	2016
Amounts per common share:			
Profit	¥74.09	¥106.72	$0.94
Cash dividends	20.00	24.00	0.21

Non-Consolidated Balance Sheets

KINDEN CORPORATION
March 31, 2015 and 2016

ASSETS	Millions of yen 2015	Millions of yen 2016	Thousands of U.S. dollars 2016
CURRENT ASSETS:			
Cash and deposits	¥ 15,547	¥ 16,038	$ 142,340
Notes receivable–trade	13,640	15,897	141,081
Accounts receivable from completed construction contracts	144,150	157,306	1,396,043
Short-term investment securities	57,000	70,000	621,228
Costs on uncompleted construction contracts	10,397	9,442	83,797
Raw materials and supplies	1,826	753	6,687
Deferred tax assets	3,963	4,748	42,143
Deposits paid	5,000	—	—
Other	4,252	5,988	53,143
Allowance for doubtful accounts	(3,674)	(3,351)	(29,740)
Total current assets	252,105	276,823	2,456,725
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings	75,967	76,384	677,887
Accumulated depreciation	(50,740)	(51,834)	(460,013)
Buildings, net	25,226	24,550	217,874
Structures	5,353	5,395	47,883
Accumulated depreciation	(4,822)	(4,885)	(43,354)
Structures, net	530	510	4,529
Machinery and equipment	1,961	1,980	17,577
Accumulated depreciation	(1,600)	(1,640)	(14,556)
Machinery and equipment, net	360	340	3,021
Vehicles	16,634	17,387	154,309
Accumulated depreciation	(14,757)	(15,165)	(134,585)
Vehicles, net	1,877	2,222	19,723
Tools, furniture and fixtures	9,459	9,260	82,185
Accumulated depreciation	(8,674)	(8,466)	(75,138)
Tools, furniture and fixtures, net	784	794	7,046
Land	55,413	55,397	491,636
Total property, plant and equipment	84,192	83,814	743,832
INTANGIBLE ASSETS:			
Leasehold right	117	117	1,046
Telephone subscription right	149	148	1,321
Software	1,241	1,182	10,492
Total intangible assets	1,508	1,449	12,861
INVESTMENTS AND OTHER ASSETS:			
Investment securities	113,773	103,886	921,961
Stocks of subsidiaries and affiliates	4,927	6,474	57,455
Long-term loans receivable	14	10	93
Long-term loans receivable from employees	9	4	43
Long-term loans receivable from subsidiaries and affiliates	24,888	22,501	199,695
Claims provable in bankruptcy, claims provable in rehabilitation and other	4	0	2
Long-term prepaid expenses	89	101	904
Prepaid pension cost	2,829	1,930	17,130
Other	9,277	8,515	75,568
Allowance for doubtful accounts	(3,680)	(3,384)	(30,035)
Total investments and other assets	152,133	140,041	1,242,820
Total noncurrent assets	237,834	225,305	1,999,513
Total assets	¥489,939	¥502,129	$4,456,239

LIABILITIES AND NET ASSETS	Millions of yen 2015	Millions of yen 2016	Thousands of U.S. dollars 2016
CURRENT LIABILITIES:			
Notes payable–trade	¥ 2,578	¥ 1,980	$ 17,571
Accounts payable for construction contracts	57,062	55,379	491,472
Short-term loans payable	15,510	15,260	135,427
Accounts payable–other	7,161	7,832	69,511
Accrued expenses	8,765	12,087	107,272
Income taxes payable	7,561	9,369	83,153
Advances received on uncompleted construction contracts	7,757	6,434	57,103
Provision for loss on construction contracts	758	223	1,985
Provision for warranties for completed construction	269	159	1,411
Provision for directors' bonuses	77	65	584
Other	3,606	7,935	70,427
Total current liabilities	111,109	116,727	1,035,923
NONCURRENT LIABILITIES:			
Deferred tax liabilities	14,288	9,632	85,482
Provision for retirement benefits	13,136	13,634	121,004
Other	835	954	8,467
Total noncurrent liabilities	28,260	24,221	214,954
Total liabilities	139,370	140,948	1,250,877
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 218,141,080 shares (2016)	26,411	26,411	234,393
Capital surplus	29,657	29,657	263,203
Retained earnings	254,955	273,119	2,423,851
Treasury stock	(978)	(1,032)	(9,166)
Total shareholders' equity	310,045	328,155	2,912,281
VALUATION AND TRANSLATION ADJUSTMENTS:			
Valuation difference on available-for-sale securities	40,524	33,024	293,079
Total valuation and translation adjustments	40,524	33,024	293,079
Total net assets	350,569	361,180	3,205,361
Total liabilities and net assets	¥489,939	¥502,129	$4,456,239

Board of Directors and Audit & Supervisory Board Members

As of June 24, 2016

Chairman:	MASAO IKOMA
President:	YUKIKAZU MAEDA
Vice Presidents:	MITSUNORI KAWAGUCHI SUMIO URASHIMA
Directors:	KOUJI ISHIDA*1 YOSHIO OHNISHI*1 MASATAKE MORIMOTO*1 KENJI KOBAYASHI*2 SHIRO MATSUO*2 YOSHIHIRO TANIGAKI*2 HARUNORI YOSHIDA*3*5 HANROKU TORIYAMA*3*5
Audit & Supervisory Board Members:	MASATAKA MIZUMOTO KAORU WADA*4 IKUZO SATAKE HIDEKI TOYOMATSU*4 YASUHIRO YASHIMA*4

*1 Senior managing executive officer
*2 Managing executive officer
*3 Outside Director
*4 Outside Audit & Supervisory Board Member
*5 Independent director

Reasons for Appointment of Independent Directors

- Mr. Harunori Yoshida is appointed as an outside director in the anticipation that he will provide appropriate advice concerning the Company's management by leveraging his broad-ranging insight gained during his experience as a university professor and specialist in architecture, while Mr. Yoshida has never been involved in corporate management except as an outside executive. He satisfies the requirements for an independent director with respect to conflicts of interest and is designed as an independent director not posing a risk of conflicts of interest with general shareholders.
- Mr. Hanroku Toriyama is appointed as an outside director in the anticipation that he will provide appropriate advice concerning the Company's management from an objective and specialized standpoint as an attorney well-versed in corporate legal affairs, while Mr. Toriyama has never been involved in corporate management except as an outside executive. He satisfies the requirements for an independent director with respect to conflicts of interest and is designed as an independent director not posing a risk of conflicts of interest with general shareholders.

Corporate Data

Name:	KINDEN CORPORATION
Date of establishment:	August 26, 1944
Head Office (Osaka):	2-3-41, Honjo-Higashi, Kita-ku, Osaka 531-8550, Japan
Tokyo Head Office:	2-1-21, Kudan-Minami, Chiyoda-ku, Tokyo 102-8628, Japan
Research center:	**Kyoto Institute:** Kizugawa, Kyoto Prefecture, Japan
Training centers:	**Kinden Gakuen:** Nishinomiya, Hyogo Prefecture, Japan
	Human Resources Development Center: Inzai, Chiba Prefecture, Japan
Capital:	¥26,411,487,018 (As of March 31, 2016)
Construction business license:	Construction License of the Ministry of Land, Infrastructure, Transport and Tourism Special Construction License (28), No.114 (14 business categories)
Employees:	7,338 (As of March 31, 2016)
URL:	http://www.kinden.co.jp/
Business areas:	Integrated electrical & facility engineering company (Planning, design, procurement, installation, maintenance, renewal)
Electrical	Power generation and substation facilities, overhead power transmission and distribution facilities, underground power transmission and distribution facilities, wind-power generation facilities, nuclear power generation facilities, building electrical facilities, factory electrical facilities, public electrical facilities, photovoltaic power facilities, theater electrical facilities, explosion-proof electrical facilities, disaster-prevention and security facilities and electrical railroad facilities
Instrumentation	Building instrumentation systems, factory instrumentation systems, facility instrumentation systems, and power plant instrumentation systems
Information and communications	Communications operators facilities, cable television operators facilities, disaster prevention administrative wireless systems, Internet facilities, Intranet facilities, LAN facilities, telephone systems, multimedia communications facilities, information processing systems, and security systems
Air-conditioning and sanitation	Air-conditioning systems, water supply, sewer and sanitation systems, fire-extinguishing systems, freezing and refrigerating systems, water treatment systems, industrial waste processing systems, air purification systems, district heating and cooling systems, cogeneration systems, medical gas supply systems and waterworks.
Interiors	System ceilings, metal ceilings, free access floor, partitions, interiors, interior furnishings, and small-scale construction
Civil engineering	Survey and investigation, civil engineering structure, CAB, land development, road construction, C.C.BOX and paving
Other	Painting, mechanical installation, landscaping and steel structures

Network

As of July 31, 2016

OVERSEAS OFFICES

Hong Kong Office

Singapore Office

Guam Office

Saipan Office

Egypt Office

Dubai Office (United Arab Emirates)

Yangon Office (Myanmar)

Shanghai Liaison Office (China)

OVERSEAS AFFILIATE COMPANIES

US Kinden Corporation
1021 Kikowaena Place, Unit #2; Honolulu, HI 96819, U.S.A.

Wasa Electrical Services, Inc.
1021 Kikowaena Place, Unit #2; Honolulu, HI 96819, U.S.A.

Kinden Pacific Corporation
Airport Industrial Center, 165 Skyline Drive, Suite 400, Tamuning, Guam 9693, U.S.A.

Kinden International, Ltd.
Factory A on 9th Floor Everwin Centre No.72 Hung To Road, Kwun Tong, Kowloon, Hong Kong, China

P.T. Kinden Indonesia
Summitmas I. 19th Floor Jl. Jend Sudirman Kav 61-62, Jakarta, 12190, Indonesia

Kinden Phils Corporation
5FL ODC International Plaza, 219 Salcedo St., Legaspi Village, Makati City, Philippines

Kinden Vietnam Co., Ltd.
15th Floor, CMC TOWER, Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi, Vietnam

Kinden (Thailand) Co., Ltd.
Room No. 1001-3 10th Floor, Lertpanya Building, 41 Soi Lertpanya, Sri-Ayuthaya Road, Kwaeng Thanon-Phayathai, Khet Ratchatewee, Bangkok 10400, Thailand

Kinden India Private Limited
No. 407, 4th Floor, TIME TOWER, Mg Road, Sector 28, Gurgaon-122002, Haryana, India

Antelec Ltd.
73 Jolly Maker Chamber No.2, Nariman Point, Mumbai 4000 021, India

DOMESTIC NETWORK

Head Office (Osaka)

Tokyo Head Office

Kyoto Institute

Kinden Gakuen

Human Resources Development Center

Hokkaido Branch Office
Sub-branch Offices: Tomakomai, Dounan, Doutou, Douhoku

Tohoku Branch Office
Sub-branch Offices: Yamagata, Iwate, Aomori, Akita, Fukushima

Tokyo Branch Office
Sub-branch Offices: Kofu, Chiba, Ichihara, Kashima, Ibaraki, Tsukuba, Gunma, Saitama, Utsunomiya, Niigata, Nagaoka

Yokohama Branch Office
Sub-branch Office: Atsugi

Chubu Branch Office
Sub-branch Offices: Toyota, Nishi-mikawa, Gifu, Mie, Ise, Nabari, Shizuoka, Hamamatsu, Numazu, Toyama, Kanazawa, Fukui, Nagano

Shiga Branch Office
Sub-branch Offices: Nagahama, Ritto, Otsu, Takashima, Hikone, Youkaichi

Kyoto Branch Office
Sub-branch Offices: Kyoto Electric Power, Kyoto, Sonobe, Fushimi, Yamashiro, Obama, Fukuchiyama, Miyazu

Osaka Branch Office

Chuo Branch Office
Sub-branch Offices: Equipment Center, Chuo, Kita-Osaka, Hokusetsu, Takatsuki, Kami-Yodogawa, Namba, Higashi-Osaka, Minami-Osaka, Kongo, Wakasa, Nagoya, Power Communication Construction

Nara Branch Office
Sub-branch Offices: Sakurai, Tenri, Nara, Takada

Wakayama Branch Office
Sub-branch Offices: Wakayama, Minoshima, Kihoku, Tanabe, Gobo, Shingu

Kobe Branch Office
Sub-branch Offices: Kobe Electric Power, Hanshin, Kobe, Kobe-Nishi, Awaji, Sanda, Hyogo-Higashi

Himeji Branch Office
Sub-branch Offices: Ako, Himeji, Nishi-harima, Kakogawa, Yashiro, Toyooka

Chugoku Branch Office
Sub-branch Offices: Kure, Tokuyama, Shimonoseki, Yamaguchi, Iwakuni, Okayama, Kurashiki, Sanin

Shikoku Branch Office
Sub-branch Offices: Ehime, Niihama, Tokushima, Kochi

Kyushu Branch Office
Sub-branch Offices: Nagasaki, Miyazaki, Kitakyushu, Oita, Kumamoto, Kagoshima, Okinawa

DOMESTIC AFFILIATE COMPANIES

Kinden Shoji Company, Limited

Nishihara Engineering Co., Ltd.

Kinden Tokyo Services Company, Incorporated

Kinden Chubu Services Company, Incorporated

Kinden Kansai Services Company, Incorporated

Kinden Nishinihon Services Company, Incorporated

Kinden Services Company, Incorporated

Aleph Networks Corporation

Shirama Wind Farm Co., Ltd.

Shiratakiyama Wind Farm Co., Ltd.

Nishihara Construction Co., Ltd.

Estanine Co., Ltd.

KINKA Corporation

KINDEN CORPORATION

HEAD OFFICE (OSAKA)
2-3-41, Honjo-Higashi, Kita-ku, Osaka 531-8550, Japan

TOKYO HEAD OFFICE
2-1-21, Kudan-Minami, Chiyoda-ku, Tokyo 102-8628, Japan

URL
http://www.kinden.co.jp/

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