ANNUAL REPORT 2022

KINDEN CORPORATION

PROFILE

Since our establishment in 1944 to undertake construction of urban and corporate infrastructure, Kinden Corporation has expanded our 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, the Middle East and Africa. In recent years, Kinden has expanded proactively into the installation of social infrastructure, primarily in Southeast Asia.

Kinden will continue our 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 technologies and skills that provide safety, peace of mind and comfort.

CONTENTS

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

The future prospects described in this annual report concerning business planning, earnings, and management strategies are based on management views derived from supporting information available to Kinden Corporation at the time such information was prepared. Accordingly, readers are cautioned against relying solely on these forward-looking prospects because actual results and strategies may differ substantially depending on changes in the Company's business environment.

Message from the President

Business Results in the Year Ended March 2022

Almost in line with expectations, reflecting an increase in sales and decline in profits

During the fiscal year ended March 2022, the Japanese economy moderately improved, although the pace of this improvement differed by industry amid the ongoing COVID-19 pandemic, while corporate earnings showed moderate improvement. There were encouraging signs in the construction industry as well, reflecting the trend toward recovery for certain capital investments. Still, the environment for orders remained challenging.

In these circumstances, Kinden, which primarily undertakes construction and maintenance work for infrastructure-related equipment such as electrical equipment, promoted its business activities by demonstrating its creativity and originality despite a range of continuing constraints throughout the year.

As a result, consolidated net sales increased 1.9% from the previous fiscal year, to ¥566,794 million. Operating income decreased 13.6% year on year to ¥37,087 million and profit attributable to owners of parent declined 18.5% year on year to ¥26,366 million, enabling us to achieve results that were almost in line with expectations.

On a non-consolidated basis, net sales increased 1.4%, to ¥493,724 million, operating income decreased 6.3% to ¥35,136 million, and profit declined 16.9%, to ¥25,824 million. Looking at net sales of completed construction contracts by customer, The Kansai Electric Power Company, Kansai Electric Power Group companies and other general customers were 15.1%, 4.5% and 80.4% of sales, respectively.

Looking at net sales of completed construction contracts by construction sector, sales in the Power Distribution Lining business increased 5.1%, to ¥66,480 million, due to mainly an increase in construction work for Kansai Transmission and Distribution, Inc. Sales in the Electrical business increased 0.9%, to ¥309,292 million, reflecting increases in work for office buildings and logistics facilities, despite a decline in work for production factories. Sales in the Information & Communications Network business increased 1.7%, to ¥56,143 million, thanks to an increases mobile phone-related work. Sales in the Environmental Management Facilities business increased 2.6%, to ¥36,136 million, mainly due to an increase in the number of office buildings and logistics facilities, which were more despite a decrease in the number of healthcare and medical facilities. Sales in the Electric Power & Others business decreased 3.1% year on year to ¥25,671 million, mainly due to a decrease in the installation of underground power lines.

Profit attributable to owners of parent per common share decreased ¥27.81 year on year on a consolidated basis to ¥128.65. On a non-consolidated basis, profit per common shar decreased ¥24.22, to ¥126.00.

Return to Shareholders and Dividend Policy

Increased dividends by ¥2.00 and paid a full-year dividend of ¥37.00 per common share

Kinden will actively expand the foundation of our business, mainly by leveraging human resources, a source of competitiveness, from a long-term perspective. By doing so, Kinden will seek to achieve sustainable growth and development. We expect that these efforts will contribute to long-term benefits for our stakeholders.

We consider the distribution of profits to shareholders as one of our important management issues. Kinden also 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 financial performance. In addition, we have an interim dividend system in place to increase opportunities to distribute profits and aim to achieve shareholder-focused management by, for example, paying memorial dividends when we reach a milestone or celebrate an anniversary.

We pay interim dividends equal to half the amount of expected annual dividends, which are calculated based on full-year earnings forecasts. Meanwhile, we determine the amount of year-end dividends by subtracting the amount of interim dividends from the amount of annual dividends, which are calculated based on actual business results confirmed at fiscal year-end.

Based on this policy, we paid an interim dividend of ¥17.50 per share in line with the initial forecast. We paid a year-end dividend of ¥19.50 per share for the fiscal year, an increase of ¥2.00 per share from the initial forecast of ¥17.50 per share. As a result, we paid an annual dividend of ¥37.00 per share for the fiscal year.

We plan to pay an annual dividend of ¥37.00 per share for the fiscal year ending March 31, 2023. This will include an interim dividend of ¥18.50 per share and a year-end dividend of ¥18.50 per share.

Strategy for enhancing value on a medium-term basis

Accelerate "Human resources and Hearts" as the fundamental of management

Kinden launched its six-year Medium-term Management Plan in April 2021 with the goal of "management that generates consolidated sales on a scale of ¥700,000 million." To achieve the goal, we will facilitate management by implementing the following strategies: the Business Strategy, Environmental Strategy, Human Resources and Workstyle Strategy, and Corporate Strategy, which reflect the perspectives of the SDGs and ESG (Environmental, Social and Governance).

With steady progress made in the efforts to share the direction of "Human resources and Hearts" as the fundamental of management throughout Kinden, we will fully move forward with the plan with a focus on priority management issues and action plans in the current fiscal year, the second year of the Plan.

In the mainstay Business Strategy, we will facilitate the growth of existing businesses while simultaneously taking on challenges to expand into new areas. To facilitate the growth of existing businesses, we will continue to fulfill Kinden's social mission of maintaining solid social infrastructure, which is ensuring the stable supply of electricity, while also working to increase our market share by strengthening community-based businesses and responding appropriately to the need to shift to a stock-type society, with a close eye on the market.

To take on challenges in the expansion into new areas, In March 2022 we established the Renewable Energy Engineering Center, a new center that plays a central role in the expansion of work related to renewable energy, such as offshore wind power. In addition, we will increase our involvement in renewable energy work for the creation of a carbon neutral society while also working to expand our business domains to respond to demand related to new forms of infrastructure that are compatible with existing businesses.

In terms of strengthening the foundation of our business in the Business Strategy, we will strengthen the foundation of our construction business, which includes human resources, while simultaneously examining digital transformation (DX) to advance initiatives for the improvement of productivity, including the digitization of operations, and the reform of workstyles.

In the Human Resources and Workstyle Strategy, we are promoting activities to facilitate the participation of individuals through a range of measures including the improvement of work and workplace environments, the improvement of engagement and motivation, and diversity management.

Regarding the Environmental Strategy, to promote initiatives to achieve the carbon neutrality of our business activities, we set a CO_2 emission reduction target of reducing Scope 1 and Scope 2 emissions (parent company only) 50% by the fiscal year ending March 2031 (from the level in the fiscal year ended March 2021). We are engaging in a range of specific activities to achieve this.

In the Corporate Strategy, we are in the process of strengthening governance across the Group with a view toward increasing corporate value on a medium- to long-term basis.

Forecast for the fiscal year ending March 31, 2023

Engaging as one in business activities on a group-wide basis.

Regarding the situation surrounding the construction industry in the fiscal year ending March 2023, we are beginning to see some positive signs, reflecting an increase in activities in some areas such as projects for redevelopment with a focus on large metropolitan areas and the construction of data centers and logistics facilities, as well as a recovery in capital investments. On the other hand, price competition for securing orders is intensifying.

Kinden is able to utilize its technological and work implementation capabilities which are responsive to any type of use of the buildings and the type of property. In these circumstances, Kinden will engage in business activities as one on a group-wide basis making the most of its capabilities.

For the fiscal year ending March 2023, we forecast consolidated net sales of ¥588,000 million, an increase 3.7%; operating income of ¥34,800 million, down 6.2%; and net income attributable to owners of parent of ¥26,100 million, a decrease of 1.0%.

Kinden chose to be listed in the Prime Market, a new market segment of the Tokyo Stock Exchange, in April 2022.

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

June 2022

Takao Uesaka
President

Aiming to Further Expand Renewable Energy-related Businesses to Contribute to the Realization of a Carbon Neutral Society

We have set "Take on Challenges toward New Fields" as a Business Strategy in the new Medium-term Management Plan and are aiming to further expand renewable energy-related businesses to meet demands from society and the needs of customers toward the realization of a carbon neutral society.

Proposing the Building of Systems Using Total Engineering Technologies

We have been involved in renewable energy-related businesses such as wind and solar power generation systems since the 1990s utilizing the electric equipment-related technologies and expertise we have accumulated over many years. We provide total support that includes surveying, design, procurement, construction, operation, and maintenance. We do not simply perform a task. We propose the building of a system that meets the diverse needs of the client, including the building of substation facilities as appropriate for the model and size of the equipment, the reduction of the cost of the work, and measures to prevent electric transmission loss.

We have already built approximately 480 wind power generation systems in 52 locations in Japan (as of March 2022).

Establishment of New Organization to Accelerate Renewable Energy-related Businesses

To increase orders for renewable energy-related work, we established the Renewable Energy Team in September 2019. Since then, we have sought potential offshore wind power generation work while expanding our activities mainly related to onshore wind power generation work.

In the new Medium-term Management Plan, which started in April 2021, we set "Take on Challenges toward New Fields" as a Business Strategy and set a goal of further expanding renewable energy-related work.

In March this year, in response to this goal, we established the new Renewable Energy Engineering Center, which has improved and enhanced the functionality of the Renewable Energy Team. As a center that plays a key role in offshore wind power generation and other renewable energy work, the center is continuing to accelerate our efforts.

We will continue to focus on the boundless possibilities of renewable energy and further promote value creation to meet diverse needs towards the realization of a carbon neutral society.

One of Japan's Biggest Windmills Built

We built two 4,300 kW turbines in Noheji-machi, Kamikita-gun, Aomori, where we are implementing a wind power generation project. The 4,300 kW turbines are among the largest in Japan, with a rotor diameter of 120 m and a height of 154 m including the blades. (Also refer to page 5.)

Standing up the blade and enabling it to rotate

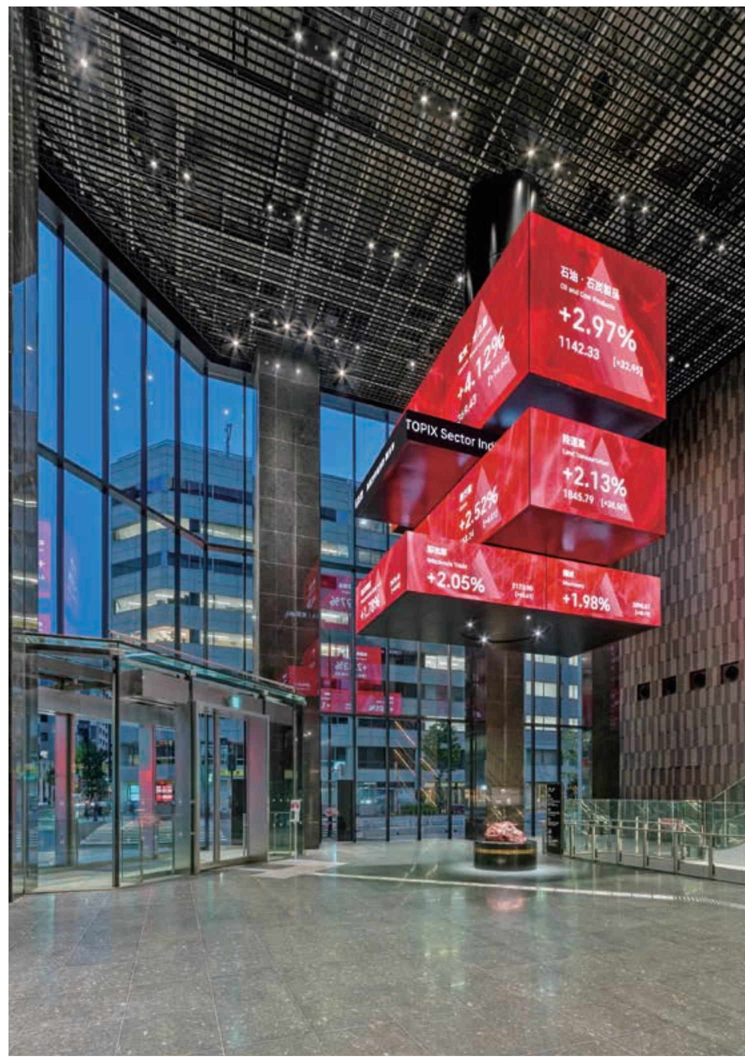
Hoisting the blade with a large crane

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 line of Kansai Transmission and Distribution, Inc. (Shiga)



Electrical

KABUTO ONE (Tokyo)

Information & Communications Network

KDDI Wakayama Minatokita base station (Wakayama)

Environmental Management Facilities

Osaka Electro-Communication University Neyagawa Campus
OECU Innovation Square (Osaka)

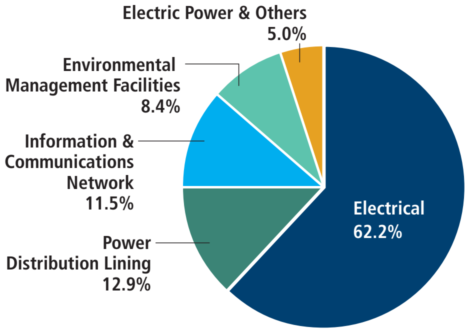
Electric Power & Others

Noheji-Shibasaki Wind Farm (Aomori)

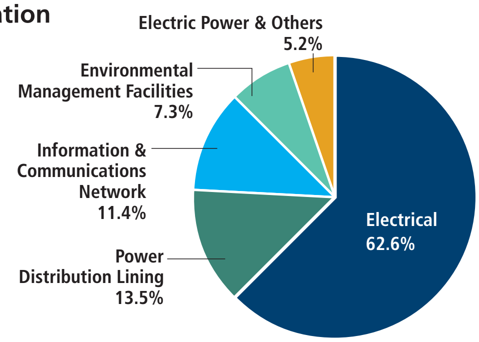
Review of Operations (Non-Consolidated)

The summary by operation is on a non-consolidated basis. Orders received in the fiscal year increased from the previous year in the Power Distribution Lining, Electrical, Information & Communications Network and Environmental Management Facilities segments, despite a decline in the Electric Power & Others segment. Net sales of completed construction contracts also increased from the previous year in the Power Distribution Lining, Electrical, Information & Communications Network and Environmental Management Facilities segments, but declined in the Electric Power & Others segment. Looking ahead, business confidence is expected to remain uncertain, reflecting concerns about the impact of the increase in the prices of crude oil and other materials due to the Ukraine situation, although there are signs of a recovery in capital investment. Although we are operating amid this business environment where making a forecast is difficult, the Kinden Group will contribute to society by meeting customer needs with advanced technologies and skills that provide safety, peace of mind and comfort.

Construction Orders



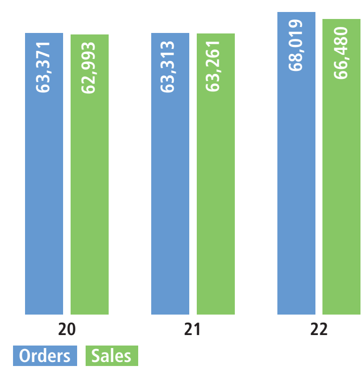
Net Sales of Completed Construction Contracts by Operation



Power Distribution Lining

Orders received in the fiscal year increased 7.4% from the previous fiscal year, to ¥68,019 million, and net sales of completed construction contracts rose 5.1%, to ¥66,480 million. Main factors for the increase in both orders received and net sales of completed construction contracts included a rise in the amount of construction work for Kansai Transmission and Distribution, Inc. The Power Distribution Lining segment has been contributing as our solid business foundation. The separation of the electric power transmission and distribution business from electric power companies that began in April 2020 has not had any particular impact on our financial results at the present time. Meanwhile, in other power distribution related works not associated with Kansai Transmission and Distribution, Inc., Incorporated, in the Kansai area we will collaborate with the Electrical segment to secure orders for power receiving and transforming equipment inside production plants and power distribution line repair work as well as for infrastructure-related work accompanying regional development such as the establishment of smart cities. At the same time, in the Kanto area we will promote the further strengthening of our structure on the basis of securing orders for high-voltage bulk electric power receiving works for apartment buildings and high-voltage construction work for convenience stores.

Orders and Sales
Millions of yen



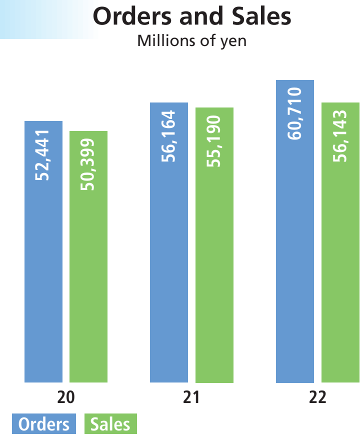
Electrical

Orders received increased 2.2% from the previous fiscal year, to ¥326,958 million, and net sales of completed construction contracts rose 0.9%, to ¥309,292 million. The main factors contributing to this increase in orders received included a rise in the number of office buildings, health and medical facilities and education and cultural facilities. The increase in net sales of completed construction contracts was mainly attributable to a rise in the number of office buildings and logistics facilities. Going forward, we will actively engage in large-scale redevelopment work in the Greater Metropolitan Area and strengthen sales for renovation work and for logistics facilities and data centers where brisk investment can be expected to continue even with the impact of COVID-19. In terms of overseas works, with long-term business development overseas continuing to be one of our business strategies, we will also make an effort to expand orders received by working closely with communities in countries where economic growth is expected in addition to focusing on Japanese-owned private factories and large-scale commercial facilities mainly in Asia.

Orders and Sales
Millions of yen

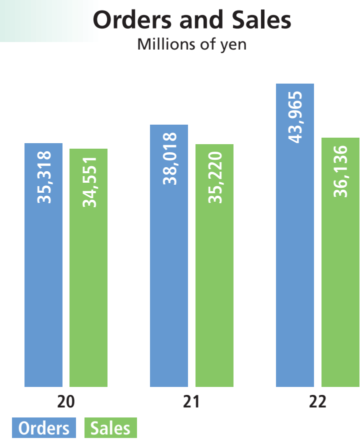
Information & Communications Network

Compared with the previous fiscal year, orders received increased 8.1%, to ¥60,710 million, and net sales of completed construction contracts rose 1.7% year on year, to ¥56,143 million. The main factors in the increase in orders received included an increase in the amount of mobile phone-related work and CATV facility work. The rise in net sales of completed construction contracts was chiefly attributable to an increase in mobile phone-related work. In the future, with work for transitioning to 5G in mobile phones expected to get fully underway, we will also focus on securing orders for information-infrastructure related works that include government and municipal projects, wireless-activated disaster warning systems for tunnels and security surveillance equipment as well as the installation of LAN and other in-house communication works.



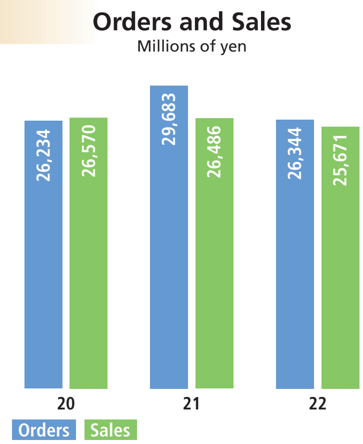
Environmental Management Facilities

Orders received climbed 15.6% year on year, to ¥43,965 million. Net sales of completed construction contracts increased 2.6%, to ¥36,136 million. The main factors supporting the increase in orders received included a rise in the number of commercial and entertainment facilities and logistics facilities. Net sales of completed construction contracts were higher, mainly due to an increase in the number of office buildings and logistics facilities. Going forward, with the Greater Metropolitan Area and the Kansai area serving as operational bases, we will focus efforts on securing orders related to logistics facilities and data center projects in addition to our traditional focus on office buildings as well as healthcare, educational, cultural, commercial and entertainment facilities. We will also attempt to expand orders through proactive proposals to customers related to energy-saving and business continuity planning (BCP) measures.



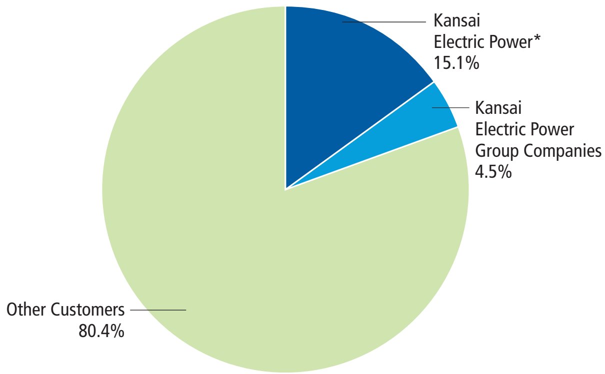
Electric Power & Others

Orders received decreased 11.2% from the previous fiscal year, to ¥26,344 million. Net sales of completed construction contracts declined 3.1% from the pervious year, to ¥25,671 million. The main factors for the decrease in orders received included a decline in the amount of overhead power transmission work. The decrease in net sales of completed construction contracts was chiefly attributable to a decrease in the amount of underground power transmission work. Going forward, we will strive to secure orders for renewable energy related facilities work such as for wind power generation facilities as well as secure orders for construction work for improving safety such as overhead power line projects to replace aging power lines and electrical transmission tower reconstruction.



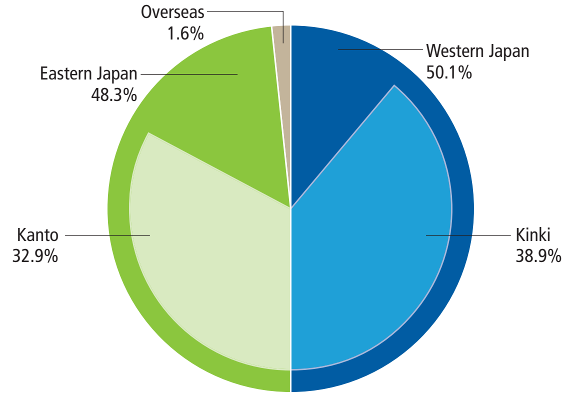
■ Composition of Non-Consolidated Net Sales, Contract Backlog by Operation and Shareholding Ratio *(Fiscal 2022)*

Net Sales by Customer

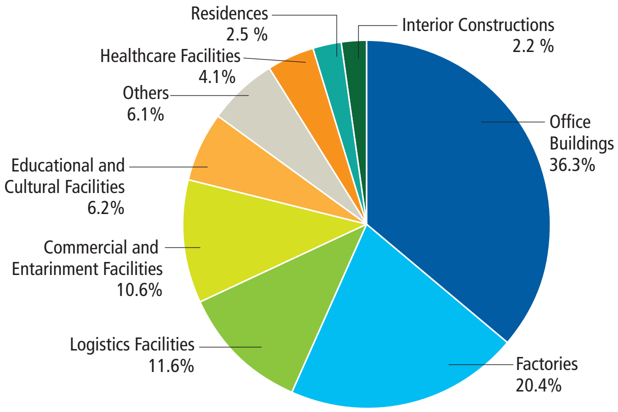


* Includes Kansai Transmission and Distribution, Inc.

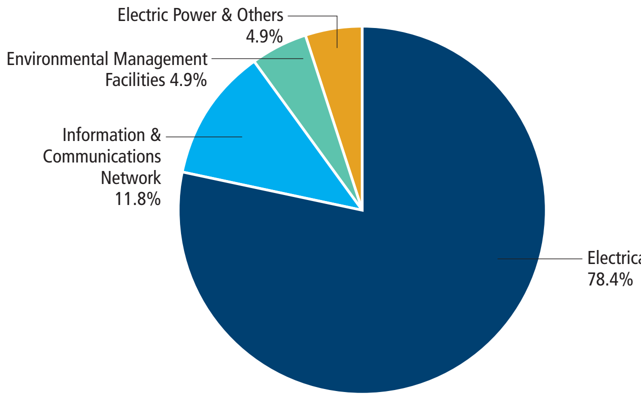
Net Sales by Region (excluding sales of Power Distribution Lining)



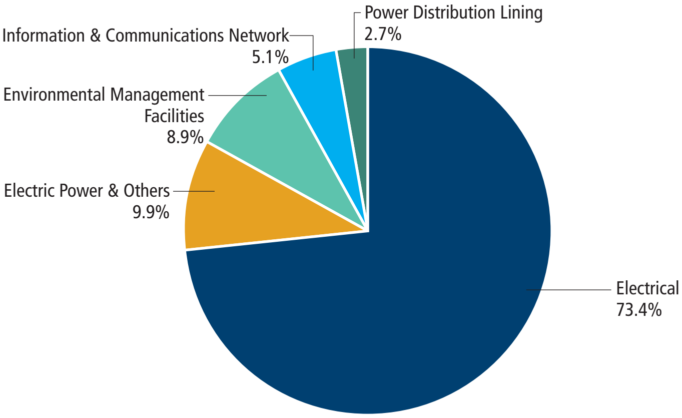
Net Sales by Facility (Electrical)



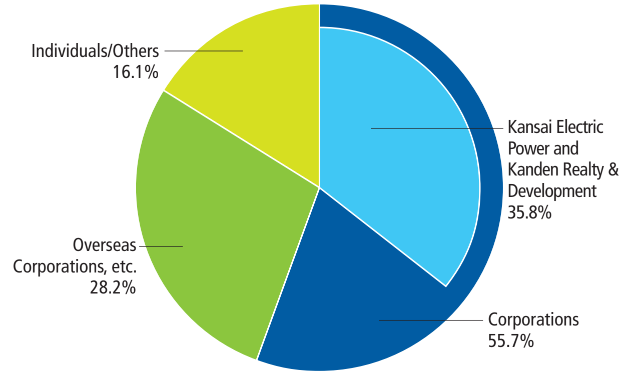
Net Sales of Renewal Construction by Operation (excluding sales of Power Distribution Lining)



Contract Backlog by Operation



Shareholding Ratio



Kinden Corporation Makes an Electric Power and Communication Engineering Company into a Subsidiary

Rising number of orders for renewable energy-related constructions

Kinden acquired all issued shares of Fujikura Engineering, Co., Ltd. in July 2021 and changed the company name to FEN Co., Ltd. (meaning: Future Energy & Network).

FEN, which has restarted as a member of the Kinden Group, is an engineering company that undertakes comprehensive operations from design and machinery procurement to construction in the electric power and communication engineering businesses. With electric power companies and communication operators as a customer base, it has established a stable operating foundation with its high construction quality and extensive track record in construction.

Under its new medium-term management plan, Kinden aims to increase the number of orders for renewable energy- and next-generation information communication-related construction, to contribute to carbon neutrality. With this share acquisition, Kinden Corporation will complement, share, and use management resources in those markets to achieve continued growth as a "company that supports social infrastructure" and contribute to building a "environmental friendly, sustainable, and better society."

Name	FEN Co., Ltd
Head Office	Daiichi Building (Main Building), 2-7-23, Kiba, Koto-ku, Tokyo 135-0042, Japan
Date of establishment	May 1994
Capital	¥200 million (As of March 31, 2022)
Representative	President Masayuki Tan
Main Business	Electrical and information communication construction
Employees	107 (as of March 31,2022)

Kinden's Unique Quality Control System Obtains ISO Certificate in First for Industry in Japan

The Kinden Management System (KMS), the quality control system Kinden operates, was certified by an external organization as an ISO-based system in February 2022. Obtaining an ISO certificate for a company's unique quality control system is a first for the electric equipment construction industry in Japan.

The KMS, which commenced operation in April 2019, is a company-wide quality control system that specifically states operations at general construction sites. It covers not only ISO (the quality and environment) requirements but also six key controls (quality, cost, process, health and safety, environment, and compliance) for projects in the general construction sector.

Since it obtained ISO9001, the international standards for quality control, in 1996 and ISO14001, the international standards for environment management, in 1999, Kinden has entrenched its quality and environment management systems throughout the company with ISO activities that extend over more than 20 years. With this ISO certification of KMS, it will further strengthen its construction management abilities.

Takao Uesaka, President, receiving the ISO certificate (Left)

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. Based on the system shown below, the Company seeks to enhance its monitoring function over management activities in cooperation with accounting auditors and the internal auditing department.

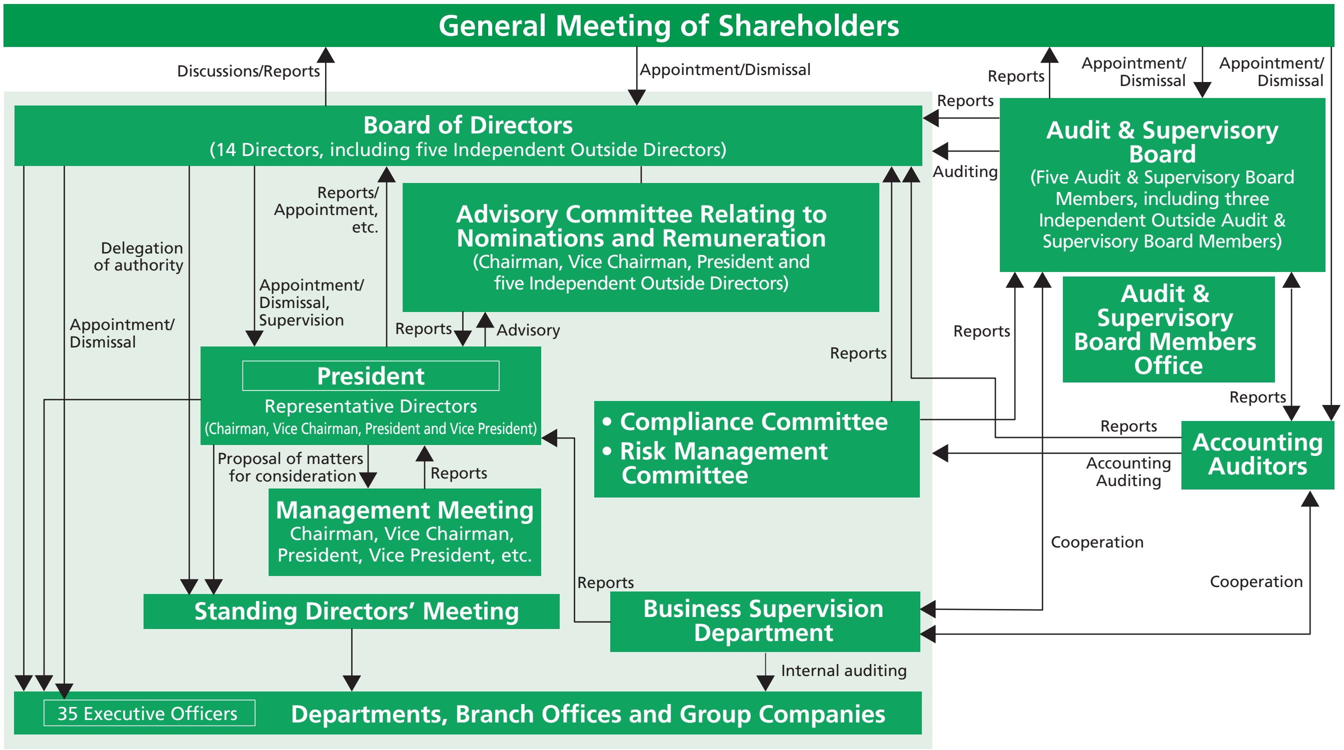
The Company has adopted an Executive Officer system, with the aim of speeding up decision making, enhancing the monitoring function over business execution and enabling the executive officers in charge of specific operations to focus on their business execution. With regard to the monitoring function,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

Corporate Governance System

Overview of the Corporate Governance System

Institutional design	A company with Audit & Supervisory Board Members
Chairman of the Board	Masao Ikoma (Chairman)
Number of Directors	14 (including five 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
Appointment of Independent Officers	Five Outside Directors, Three Outside Audit & Supervisory Board Members
Key meetings attended by Audit & Supervisory Board Members	Board of Directors, Audit & Supervisory Board
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 the 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, Vice Chairman, President, Vice President, etc.
Compliance Committee	Purpose: To strengthen the compliance function
	Held: Semiannually; Participants: Members of the Management Meeting, 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: Officers in charge, Major 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, Vice Chairman, President and five Independent Outside Director

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.

Audit & Supervisory Board and Internal Audits

The Audit & Supervisory Board supervises the business execution of the Board of Directors in accordance with policies set by the Audit & Supervisory Board comprising five Audit & Supervisory Board Members including three Outside Audit & Supervisory Board Members. It performs oversight by such means as attending the Board of Directors' meeting and other important meetings, viewing important decision-making documents, receiving business reports from the Board of Directors and examining the business operations of major business sites.

The full-time Audit & Supervisory Board Members report to the Outside Audit & Supervisory Board Members the results of important meetings they attended and their knowledge of circumstances obtained during audits in addition to holding regular meetings with the President and exchanging information with the Business Administration Monitoring Office and accounting auditor. Additionally, they mutually communicate and exchange information with both directors and auditors of subsidiaries.

Of the five Audit & Supervisory Board Members, one Audit & Supervisory Board Member (full-time) previously served as the Company's Finance & Accounting Department manager and one independent Outside Audit & Supervisory Board Member is a certified tax accountant. Both persons have a high degree of knowledge and judgment regarding finance and accounting.

Internal audits are conducted, as ordered by the President, by the Business Supervision Department (nine members), which carries out regular operations audits on the structure and administration of internal controls (appropriateness and efficiency of business processes) and audits on specific items as specially instructed. The results are reported to the President and Audit & Supervisory Board Members as well as the Board of Directors and the Audit & Supervisory Board.

Relationships with Outside Directors and Outside Audit & Supervisory Board Members

With respect to Outside Directors Harunori Yoshida, Hanroku Toriyama, Keiji Takamatsu, Keizo Morikawa and Kazunobu Sagara as well as Outside Audit & Supervisory Board Members Masami Yoshioka, Toshimitsu Kamakura and Osa Isamu, 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 set forth by the financial instruments exchange, and there is no risk of conflicts of interest with general shareholders.

Reason for Appointment as Outside Directors and an Overview of the Expected Roles

Harunori Yoshida

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 deemed to be a person suitable to be an Outside Director of the Company and is selected as a Director. We expect he will continue to appropriately advise the Company on its management from an independent and objective standpoint based on his wealth of knowledge and insights as an expert of architecture.

Hanroku Toriyama

Although Mr. Hanroku Toriyama has not been involved in corporate management except for his past experience as an Outside Audit & Supervisory Board Member, he has appropriately advised the Company on its management based on his wealth of experience and wide range of knowledge as a lawyer with expertise concerning corporate legal affairs. Therefore, we have deemed that he is a person suitable to be an Outside Director and we have selected him as a Director. We expect he will continue to appropriately advise the Company on its management from an independent and objective standpoint based on his wealth of experience and wide range of knowledge as a lawyer with expertise concerning corporate legal affairs.

Keiji Takamatsu

Mr. Keiji Takamatsu currently serves as Representative Director and Chairman of Kintetsu Department Store Co., Ltd. after previously serving as Representative Director and Vice President of Kintetsu Group Holdings Co., Ltd., and he leads the company's overall management and works to improve its corporate value. He has appropriately advised the Company on its management based on his outstanding knowledge and insights. Therefore, we have deemed that he is a person suitable to be an Outside Director and we have selected him as a Director. We expect he will continue to appropriately advise the Company on its management from an independent and objective standpoint based on his wealth of business experience as a manager and his outstanding knowledge and insights on overall management.

Keizo Morikawa

Mr. Keizo Morikawa currently served as Representative Director and Chairman of Cosmo Energy Holdings Co., Ltd. after serving as Representative Director and President of Cosmo Oil Co., Ltd., and he led the company's overall management and worked to improve its corporate value. He has appropriately advised the Company on its management based on his outstanding knowledge and insights. Therefore, we have deemed that he is a person suitable to be an Outside Director and we have selected him as a Director. We expect he will continue to appropriately advise the Company on its management from an independent and objective standpoint based on his wealth of business experience as a manager and his outstanding knowledge and insights on overall management.

Kazunobu Sagara

Although Mr. Kazunobu Sagara has not been involved in corporate management, he has been involved in education and research for many years as an expert in architecture, and has since contributed to the development of practical engineers as the President of Polytechnic University. He has a wide range of knowledge and insight in his field of specialization, as well as a high level of knowledge in human resource development and training. Therefore, we have deemed that he is a person suitable to be an Outside Director and we have selected him as a Director. We expect he will appropriately advise the Company on its management from an independent and objective standpoint based on his wealth of knowledge and insights in his field of specialization and high knowledge of human resource development and training.

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
		Fixed remuneration	Performance-based remuneration	
Directors (Excluding Outside Directors)	508	424	83	9
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	65	65	—	2
Outside Directors and Outside Audit & Supervisory Boad Members	40	40	—	7

Remuneration for Audit Services

Remuneration paid to PKF Hibiki Audit Corporation in the 108th fiscal term (the fiscal year ended March 31, 2022) for services set forth by the Certified Public Accountants Law totaled ¥49 million, and remuneration based on the non-audit services totaled ¥3 million. In addition, remuneration paid to the organization that belongs to the same network of PKF Hibiki Audit Corporation for service set forth by the Certified Public Accounts Law at a consolidated subsidiary totaled ¥2 million.

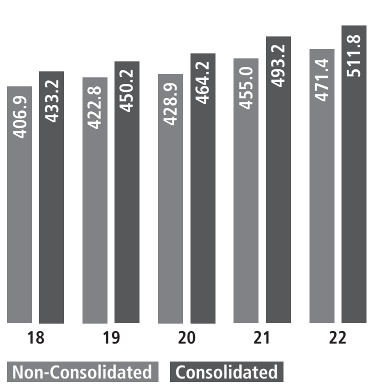
Five-Year Financial Summary

For the fiscal years ended March 31

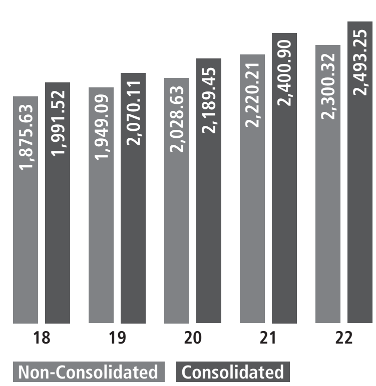
	Consolidated					Non-Consolidated				
	Millions of yen					Millions of yen				
	2018	2019	2020	2021	**2022**	2018	2019	2020	2021	**2022**
FOR THE YEAR										
Net sales	¥500,700	¥521,283	¥585,905	¥556,273	**¥566,794**	¥439,641	¥456,762	¥516,196	¥486,705	**¥493,724**
Power distribution lining						57,844	59,355	62,993	63,261	**66,480**
Electrical						284,023	301,741	341,680	306,546	**309,292**
Information & communications network						42,381	42,529	50,399	55,190	**56,143**
Environmental management facilities						31,764	30,036	34,551	35,220	**36,136**
Electric power & others						23,627	23,099	26,570	26,486	**25,671**
Operating income	38,618	40,354	45,026	42,948	**37,087**	32,525	33,520	37,701	37,496	**35,136**
Profit attributable to owners of parent	29,478	28,844	32,500	32,356	**26,366**					
Profit						26,206	26,250	30,576	31,065	**25,824**
Comprehensive income	39,865	24,107	29,457	46,927	**26,117**					
Capital investment*1	2,983	3,781	6,592	4,417	**5,935**					
Depreciation and amortization	5,225	5,322	5,415	6,161	**6,684**					
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	433,227	450,265	464,235	493,209	**511,843**	406,924	422,856	428,929	455,023	**471,438**
Total assets	600,925	634,064	654,279	683,022	**700,259**	549,593	579,499	592,198	620,793	**633,822**
Number of shares outstanding (excluding treasury stock) (Thousands) Balance at end of year	216,953	216,951	211,438	204,946	**204,944**	216,953	216,951	211,438	204,946	**204,944**
Number of employees (Persons)*2	10,165	10,867	12,984	12,935	**12,892**	7,398	7,521	7,645	7,801	**7,995**
Equity ratio (%)	71.9	70.8	70.8	72.0	**73.0**	74.0	73.0	72.4	73.3	**74.4**
Return on equity (ROE) (%)	7.1	6.5	7.1	6.8	**5.3**	6.7	6.3	7.2	7.0	**5.6**
Payout ratio (%)	20.6	22.6	21.3	22.4	**28.8**	23.2	24.8	22.6	23.3	**29.4**
Price-earnings ratio (Times)	12.97	13.79	10.62	12.05	**12.27**	14.59	15.16	11.29	12.55	**12.52**

*1 Lease assets are included in capital investment amounts.
*2 Number of employees (employees at work in Kinden) = Employees – Employees dispatched outside of Kinden + Workers dispatched by another company to Kinden

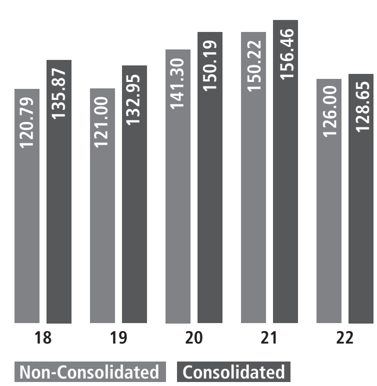
Total Net Assets
Billions of yen



Net Assets per Common Share
Yen



Profit per Common Share
Yen



RESULTS OF OPERATIONS

The Kinden Group recorded a ¥10,520 million, or 1.9%, increase in net sales of completed construction contracts from the previous fiscal year to ¥566,794 million (US $4,631,052 thousand). Although the Company and its domestic subsidiaries recorded increases, overseas subsidiaries posted decreases due to the impact of the novel coronavirus (COVID-19).

Gross profit on completed construction contracts decreased ¥2,083 million, or 2.1%, from the previous fiscal year to ¥97,147 million (US $793,756 thousand). This decrease was due to a decline in profit margin on completed construction contracts from the previous fiscal year despite an increase in net sales of completed construction contracts.

Selling, general and administrative (SG&A) expenses increased ¥3,776 million, or 6.7%, from the previous fiscal year to ¥60,059 million (US $490,724 thousand). The Company and its domestic and overseas subsidiaries all recorded increases.

Operating income decreased ¥5,860 million, or 13.6%, to ¥37,087 million (US $303,031 thousand).

Ordinary income decreased ¥4,817 million, or 10.8%, to ¥39,977million (US $326,641 thousand).

Profit attributable to owners of parent decreased ¥5,989 million, or 18.5%, to ¥26,366 million (US $215,429 thousand) due to the recording of impairment losses such as on goodwill accompanying the worsening of financial conditions of overseas subsidiaries.

Although net sales of completed construction contracts increased from the previous fiscal year, profits in each category declined from the previous fiscal year.

FINANCIAL POSITION

Assets

Current assets at March 31, 2022 amounted to ¥442,829 million, up ¥8,600 million, or 2.0%, from March 31, 2021. The rise was due primarily to an increase in cash on hand (cash and cash equivalents).

Noncurrent assets increased ¥8,636 million, or 3.5%, from the end of the previous fiscal year, to ¥257,430 million. Property, plant and equipment increased ¥900 million, to ¥99,563 million. There were no particularly large new acquisitions or disposals or sales. Intangible fixed assets increased ¥3,230 million to ¥8,145 million due to an increase in goodwill. Investments and other assets increased ¥4,505 million, to ¥149,721 million. This was due mainly to an increase in long-term deposits.

As a result, total assets amounted to ¥700,259 million (US $5,721,543 thousand) at the end of the fiscal year, up ¥17,236 million, or 2.5%, from the end of the previous fiscal year.

Liabilities

Current liabilities decreased ¥2,564 million, or 1.6%, from the end of the previous fiscal year to ¥159,661 million. This decrease was due mainly to a decline in advances received on uncompleted construction contracts. Noncurrent liabilities increased ¥1,167 million, or 4.2%, to ¥28,755 million. Consequently, total liabilities came to ¥188,416 million (US $1,539,477 thousand), a decrease of ¥1,397 million, or 0.7%, from the end of the previous fiscal year.

Net Assets

Shareholders' equity rose ¥18,882 million, to ¥467,920 million, due to the posting of profit attributable to owners of parent and a decrease due to the payment of shareholder dividends.

Accumulated other comprehensive income increased ¥39 million to ¥430,057 million due to a decrease in valuation difference on available-for-sale securities and increases in foreign currency translation adjustment and in remeasurements of defined benefit plans.

Additionally, non-controlling interests amounted to ¥864 million.

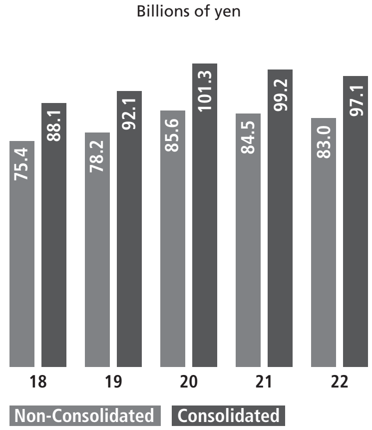
As a result, total net assets amounted to ¥511,843 million (US $4,182,066 thousand), an increase of ¥18,634 million, or 3.8%, from the end of the previous fiscal year. The equity ratio stood at 73.0%, an increase of 1.0 percentage point from the end of the previous fiscal year.

CASH FLOW ANALYSIS

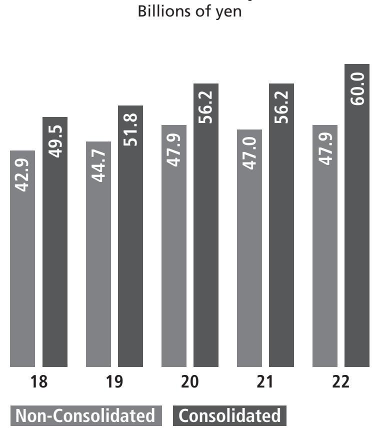
Net cash provided by operating activities in the fiscal year under review amounted to ¥32,952 million (US $269,245 thousand), compared with ¥43,338 million in the previous fiscal year. This was due to profit before income taxes, despite income taxes paid.

Net cash used in investing activities came to ¥9,977 million (US $81,524 thousand), compared with ¥5,846 million used in the previous fiscal year. This was due to such factors as payments for the

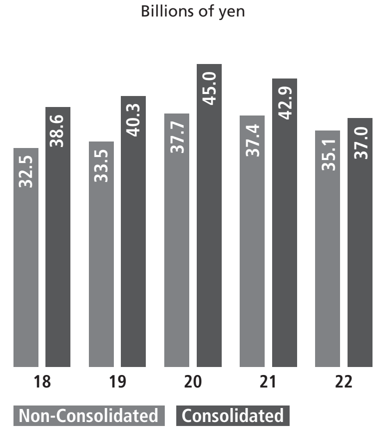
Gross Profit on Completed Construction Contracts
Billions of yen



Selling, General and Administrative Expenses
Billions of yen



Operating Income
Billions of yen



purchase of property, plant and equipment and payments for purchases of shares of subsidiaries.

Net cash used in financing activities was ¥8,254 million (US $67,440 thousand), compared with ¥17,277 million used in the previous fiscal year, mainly owing to cash dividends paid.

As a result, cash and cash equivalents stood at ¥184,501 million (US $1,507,487 thousand), an increase of ¥15,355 million from the end of the previous fiscal year, compared with an increase of ¥20,137 million in the previous fiscal year.

RISK FACTORS

Among matters related to business conditions, accounting conditions, etc., the following are the main risks that management recognizes could have a significant impact on the financial condition, operating results and cash flow conditions of the consolidated company.

The Group has established a risk management system as described in State of Corporate Governance and is working to strengthen its risk management functions.

Those future issues mentioned in this document are those based on the judgment of the Group as of the end of the current consolidated fiscal year.

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. 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.

3. 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.

4. Increased materials costs and outsourcing costs

A sharp surge to higher levels than forecast in the price of raw materials as well as in outsourced labor unit costs 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.

5. Restrained capital investment by Kansai Electric Power Group

The Kinden Group receives orders and carries out power distribution lining, electric power and other work from Kansai Electric Power Group, Incorporated, 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.

Exposure to Bad Debts Due to Customer Bankruptcies and Other Factors

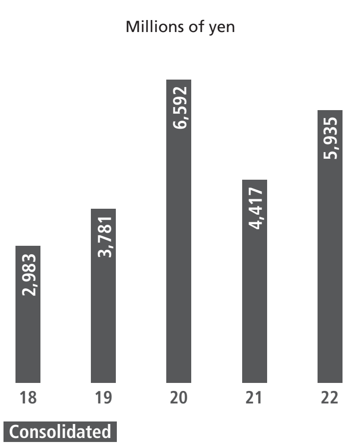
The Kinden Group undertakes work based on contracts concluded with customers. Contracts are performed and payment is received according to contract conditions. The Group has strengthened its credit control systems in recent years; however, if a customer falls into bankruptcy, the Group would likely face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

Impact of Large-Scale Natural Disasters and the Outbreak of Infectious Diseases

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

COVIID-19 infections are now prevalent globally and the timing of the subsiding of this virus and trends in the construction market could have an adverse impact on the Group's business results and financial position.

Capital Investment



Consolidated Balance Sheets

KINDEN CORPORATION AND SUBSIDIARIES
March 31, 2021 and 2022

ASSETS	Millions of yen 2021	Millions of yen 2022	Thousands of U.S. dollars 2022
CURRENT ASSETS:			
Cash and deposits	¥ 42,422	**¥ 46,289**	$ 378,217
Notes receivable, accounts receivable from completed construction contracts and other	208,982	**208,300**	1,701,943
Short-term investment securities	136,409	**152,603**	1,246,866
Costs on uncompleted construction contracts	18,012	**19,864**	162,304
Raw materials and supplies	2,440	**1,968**	16,087
Deposits paid	20,000	**10,000**	81,706
Other	6,949	**6,081**	49,691
Allowance for doubtful accounts	(987)	**(2,280)**	(18,632)
Total current assets	434,229	**442,829**	3,618,184
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings and structures	96,597	**97,797**	799,062
Machinery, equipment and vehicles	40,596	**41,649**	340,298
Tools, furniture and fixtures	11,730	**12,091**	98,795
Land	58,109	**58,667**	479,347
Construction in progress	180	**1,387**	11,339
Accumulated depreciation	(108,553)	**(112,029)**	(915,350)
Total property, plant and equipment	98,662	**99,563**	813,493
INTANGIBLE ASSETS	4,915	**8,145**	66,552
INVESTMENTS AND OTHER ASSETS:			
Investment securities	133,796	**126,744**	1,035,581
Long-term deposits	—	**10,000**	81,706
Net defined benefit asset	5,711	**7,271**	59,409
Deferred tax assets	992	**1,083**	8,850
Other	5,582	**5,463**	44,639
Allowance for doubtful accounts	(866)	**(841)**	(6,873)
Total investments and other assets	145,215	**149,721**	1,223,313
Total noncurrent assets	248,793	**257,430**	2,103,358
Total assets	¥683,022	**¥700,259**	$5,721,543

See the accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen 2021	Millions of yen 2022	Thousands of U.S. dollars 2022
CURRENT LIABILITIES:			
Notes payable, accounts payable for construction contracts and other	¥ 73,889	¥ 82,512	$ 674,176
Short-term loans payable	16,589	15,988	130,637
Income taxes payable	11,638	11,253	91,950
Advances received on uncompleted construction contracts	16,694	11,008	89,947
Provision for loss on construction contracts	1,483	2,511	20,520
Provision for warranties for completed construction	567	484	3,958
Provision for directors' bonuses	207	192	1,574
Other	41,155	35,708	291,763
Total current liabilities	162,225	159,661	1,304,528
NONCURRENT LIABILITIES:			
Long-term loans payable	59	52	428
Deferred tax liabilities	6,887	6,990	57,119
Provision for directors' retirement benefits	224	232	1,899
Net defined benefit liability	20,167	21,242	173,560
Other	249	237	1,940
Total noncurrent liabilities	27,588	28,755	234,948
Total liabilities	189,813	188,416	1,539,477
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 205,141,080 shares (2022)	26,411	26,411	215,797
Capital surplus	29,147	29,147	238,156
Retained earnings	393,785	412,671	3,371,776
Treasury stock	(307)	(310)	(2,539)
Total shareholders' equity	449,037	467,920	3,823,190
ACCUMULATED OTHER COMPREHENSIVE INCOME:			
Valuation difference on available-for-sale securities	42,914	40,851	333,784
Foreign currency translation adjustment	(1,351)	(134)	(1,099)
Remeasurements of defined benefit plans	1,456	2,340	19,123
Total accumulated other comprehensive income	43,018	43,057	351,808
NON-CONTROLLING INTERESTS	1,152	864	7,066
Total net assets	493,209	511,843	4,182,066
Total liabilities and net assets	¥683,022	¥700,259	$5,721,543

Consolidated Statements of Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Net sales of completed construction contracts	¥556,273	¥566,794	$4,631,052
Cost of sales of completed construction contracts	457,042	469,646	3,837,296
Gross profit on completed construction contracts	99,231	97,147	793,756
Selling, general and administrative expenses	56,283	60,059	490,724
Operating income	42,948	37,087	303,031
Non-operating income:			
Interest income	248	187	1,534
Dividends income	1,801	1,881	15,369
Foreign exchange gains	82	426	3,483
Subsidy income	—	524	4,283
Other	720	709	5,794
Total non-operating income	2,853	3,728	30,466
Non-operating expenses:			
Interest expenses	184	158	1,297
Loss on valuation of inventories	—	100	817
Dismantlement cost	126	150	1,227
Other	696	430	3,514
Total non-operating expenses	1,006	839	6,856
Ordinary income	44,794	39,977	326,641
Extraordinary income:			
Gain on sales of investment securities	2,738	1,121	9,164
Other	110	49	402
Total extraordinary income	2,848	1,171	9,567
Extraordinary loss:			
Impairment losses	2	1,584	12,949
Other	213	118	971
Total extraordinary losses	216	1,703	13,920
Profit before income taxes	47,427	39,444	322,288
Income taxes-current	14,645	13,515	110,426
Income taxes-deferred	510	(135)	(1,105)
Total income taxes	15,156	13,379	109,321
Profit	32,270	26,065	212,967
Profit (loss) attributable to non-controlling interests	(85)	(301)	(2,461)
Profit attributable to owners of parent	¥ 32,356	¥ 26,366	$ 215,429

	Yen		U.S. dollars
	2021	2022	2022
Amounts per common share:			
Profit attributable to owners of parent	¥156.46	¥128.65	$1.05
Cash dividends	35	37.00	0.30

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Profit	¥32,270	¥26,065	$212,967
Other comprehensive income:			
Valuation difference on available-for-sale securities	13,240	(2,062)	(16,851)
Foreign currency translation adjustment	(532)	1,230	10,052
Remeasurements of defined benefit plans, net of tax	1,949	884	7,226
Other comprehensive income	14,656	52	427
Comprehensive income	¥46,927	26,117	213,394
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	¥47,058	¥26,405	$215,748
Comprehensive income attributable to non-controlling interests	(131)	(288)	(2,353)

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, 2021 and 2022

	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, 2020	218,141	¥26,411	¥29,136	¥388,879	¥(9,810)	¥29,674	¥ (864)	¥ (493)	¥1,301	¥464,235
Cash dividends				(6,896)						(6,896)
Profit attributable to owners of parent				32,356						32,356
Purchase of treasury stock					(11,051)					(11,051)
Disposal of treasury stock										—
Cancellation of treasury shares	(13,000)		(0)	(20,553)	20,554					—
Purchase of shares of consolidated subsidiaries			11							11
Net changes of items other than shareholders' equity						13,240	(486)	1,949	(149)	14,553
Balance at April 1, 2021	205,141	¥26,411	¥29,147	¥393,785	¥ (307)	¥42,914	¥(1,351)	¥1,456	¥1,152	¥493,209
Cash dividends				(7,480)						(7,480)
Profit attributable to owners of parent				26,366						26,366
Purchase of treasury stock					(3)					(3)
Disposal of treasury stock			0		0					0
Cancellation of treasury shares										—
Purchase of shares of consolidated subsidiaries										—
Net changes of items other than shareholders' equity						(2,062)	1,217	884	(287)	(248)
Balance at March 31, 2022	205,141	¥26,411	¥29,147	¥412,671	¥ (310)	¥40,851	¥ (134)	¥2,340	¥864	¥511,843

	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 1,2021	218,141	$215,797	$238,156	$3,217,467	$(2,512)	$350,636	$(11,044)	$11,896	$9,416	$4,029,815
Cash dividends				(61,120)						(61,120)
Profit attributable to owners of parent				215,429						215,429
Purchase of treasury stock					(27)					(27)
Disposal of treasury stock			0		0					0
Cancellation of treasury shares										—
Purchase of shares of consolidated subsidiaries										—
Net changes of items other than shareholders' equity						(16,851)	9,944	7,226	(2,349)	(2,030)
Balance at March 31, 2022	205,141	$215,797	$238,156	$3,371,776	$(2,539)	$333,784	$ (1,099)	$19,123	$7,066	$4,182,066

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income taxes	¥ 47,427	¥ 39,444	$ 322,288
Adjustments for:			
Depreciation	6,161	6,684	54,618
Impairment losses	2	1,584	12,949
Increase (decrease) in allowance for doubtful accounts	(765)	1,251	10,226
Increase (decrease) in provision for loss on construction contracts	(950)	1,027	8,396
Increase (decrease) in net defined benefit liability	688	970	7,928
Decrease (increase) in net defined benefit asset	(369)	(495)	(4,049)
Interest and dividends income	(2,050)	(2,068)	(16,904)
Interest expenses	184	158	1,297
Loss (gain) on sale of investment securities	(2,736)	(1,121)	(9,164)
Loss (gain) on sales and retirement of non-current assets	(38)	71	583
Decrease (increase) in notes and accounts receivabl-trade	11,315	2,009	16,415
Decrease (increase) in costs on uncompleted construction contracts	23	(1,438)	(11,756)
Increase (decrease) in notes and accounts payable-trade	(13,687)	7,562	61,789
Increase (decrease) in advances received on uncompleted construction contracts	5,877	(6,067)	(49,575)
Other	5,551	(4,743)	(38,759)
Sub-total	56,635	44,829	366,285
Interest and dividends income received	2,086	2,129	17,396
Interest expenses paid	(184)	(158)	(1,297)
Income taxes paid	(15,199)	(13,847)	(113,138)
Net cash provided by (used in) operating activities	43,338	32,952	269,245
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments into time deposits	(2,189)	(9,427)	(77,024)
Proceeds from withdrawal of time deposits	2,613	10,123	82,711
Payments of deposit	(10,000)	(20,000)	(163,412)
Proceeds from withdrawal deposit	10,000	20,000	163,412
Purchase of investment securities	(11,327)	(9,415)	(76,927)
Proceeds from sale and redemption of short-term and long-term investment securities	10,751	9,480	77,464
Purchase of property, plant and equipment	(4,689)	(5,425)	(44,328)
Proceeds from sales of property, plant and equipment	181	141	1,156
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(4,550)	(37,182)
Other	(1,186)	(904)	(7,393)
Net cash provided by (used in) investing activities	(5,846)	(9,977)	(81,524)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term loans payable	771	(653)	(5,338)
Proceeds from share issuance to non-controlling shareholders	—	0	5
Purchase of treasury stock	(11,052)	(4)	(34)
Cash dividends paid	(6,896)	(7,480)	(61,120)
Dividends paid to non-controlling interests	(5)	(0)	(1)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1)	—	—
Other	(93)	(116)	(950)
Net cash provided by (used in) financing activities	(17,277)	(8,254)	(67,440)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	(76)	634	5,181
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,137	15,355	125,462
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	149,008	169,146	1,382,024
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	¥169,146	¥184,501	$1,507,487

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 ¥122.39 to US$1, the fixed-market rate on March 31, 2022. 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: 21

(2) The names of the principal consolidated subsidiaries are as reported in Network on p.54-55 of the Annual Report.

FEN Co., Ltd. became a consolidated subsidiary from the current consolidated fiscal year through the acquisition of all its voting rights.

(3) Names of non-consolidated subsidiaries

Kinden India Private Limited

The above-listed company, a non-consolidated subsidiary, is excluded from the scope of consolidation because it is currently undertaking procedures for liquidation and its importance is not significant.

Kinden International, Ltd., a non-consolidated subsidiary in the previous consolidated fiscal year, was eliminated due to the dissolution of that company in August 2021.

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

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

Kinden India Private Limited

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

Sanyu Co., Ltd. and three other companies

The one non-equity method non-consolidated subsidiaries and the four 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. International Electro-Mechanical Services Co. (L.L.C.) changed its account closing date from March 31 to December 31 in the current consolidated fiscal year. 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 other than securities without quoted market values

Market value method (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 on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 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

The Kinden Group engages in electrical systems work (distribution work, general electrical work for buildings and plants, power transmission line work, power generation and transformer station work, etc.), information-communication work (telecommunications work, instrumentation work, etc.), and environment-related work (air conditioning pipes). interior systems work as well as civil engineering and other ancillary businesses.

As the main content of its performance obligations, the Kinden Group has obligations to construct and deliver the above-mentioned ordered works received through contracts with customers.

Regarding performance obligations that are satisfied over a certain period of time, if the progress of the performance obligation can be reasonably estimated, the revenue is recognized over a certain period based on the progress (progress is estimated using the input method based on incurred costs). When progress cannot be reasonably estimated, but the costs incurred in fulfilling the performance obligation are expected to be recovered, the cost recovery standard is applied until the progress of fulfillment of performance obligations can be reasonably estimated.

Additionally, construction contracts for which there is a very short period from the transaction start date in the contract to the time when the performance obligation is expected to be fully satisfied recognize the revenue at the time the performance obligation is fully satisfied.

(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.

SIGNIFICANT ACCOUNTING ESTIMATES

1. Net sales of completed construction contracts using a method that recognizes revenue over a certain time period

1) Amount recorded on the consolidated financial statements for the current consolidated fiscal year

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales of completed construction contracts based on a method that recognizes revenue over a certain period of time	¥329,127 million	¥327,905 million $2,679,185 thousand

2) Information concerning details of significant accounting estimates for recognized items

As listed in 5. Summary of Significant Accounting Policies (5) Recognition of Revenues and Costs of Construction Contracts, if the progress of the performance obligation can be reasonably estimated for the performance obligation that is satisfied over a certain period of time, the Kinden Group applies a method that recognizes revenue over a certain period of time based on the progress of the said obligation (progress is estimated using the input method based on the costs incurred). In applying this method of recognizing revenue over a certain period of time, total construction revenue, total construction costs, and progress of the work on the settlement date are reasonably estimated and the sales of completed construction contracts is calculated accordingly. The Group is continuously reviewing these estimates as work progresses. However, these are accompanied by constant uncertainties and therefore these could have a significant impact on the amount recognized in the consolidated financial statements for the following consolidated fiscal year and thereafter.

2. Recording of provision for loss on construction contracts

1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Provision for loss on construction contracts	¥1,483 million	¥2,511 million $20,520 thousand

2) Information concerning details of significant accounting estimates for recognized items

As listed in 5. Summary of Significant Accounting Policies (3) Accounting Basis for Allowances, to prepare for future losses on construction orders, the Group estimates the expected amount of loss and records the Provision for loss on construction contracts based on this for work on hand at the end of the current consolidated fiscal year that is expected to incur losses and for which the amount can be reasonably estimated. The Group continually reviews estimates and the underlying assumptions. However, these are accompanied by constant uncertainties and therefore in the event the actual loss amount differs from the estimates, this could have a significant impact on the amount recognized in the consolidated financial statements for the following consolidated fiscal year and thereafter.

3. Valuation of Goodwill and Customer-related Assets

1) Amounts recorded in the consolidated financial statements for the current consolidated fiscal year

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Goodwill	¥854 million	¥2,776 million $22,682 thousand
Customer-related Assets	¥713 million	¥1,985 million $16,226 thousand

2) Information on details of significant accounting estimates concerning the identified items

The Kinden Group records goodwill and customer-related assets of the business combination that resulted from the acquisition. The said assets are generated from the excess earnings power that is expected from future business development. At the end of the current consolidated fiscal year, we decide whether it is necessary to record an impairment loss after confirming the presence or absence of signs of impairment, mainly based on assumptions about future cash flows and discount rates in accordance with the business plan.

This assumption is accompanied by certain uncertainties. Should it become necessary to revise this assumption, this could have a significant impact on the consolidated financial statements from the following consolidated fiscal year.

4. Retirement benefit obligations

1) Amount recorded on the consolidated financial statements for the current consolidated fiscal year

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net defined benefit liability	¥20,167 million	¥21,242 million $173,560 thousand
Net defined benefit asset	¥5,711 million	¥7,271 million $59,409 thousand

2) Information concerning details of significant accounting estimates for recognized items

As listed in 5. Summary of Significant Accounting Policies (4) Retirement Benefits, to allocate for employee retirement benefits, retirement benefit liabilities and retirement benefit assets are recorded based on various actuarial assumptions. These assumptions include discount rates, long-term expected rates of return on pension assets, retirement rates, mortality rates, and the Group has determined that the actuarial assumptions used are reasonable. However, in the event it becomes necessary to revise these assumptions due to uncertain future changes in economic conditions, this could have a significant impact on the amount recognized in the consolidated financial statements for the next consolidated fiscal year and thereafter.

CHANGE IN ACCOUNTING POLICY

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current consolidated fiscal year and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of the said goods or services.

As a result, for performance obligations that are satisfied over a certain period of time, if the progress of the performance obligation can be reasonably estimated, the revenue is recognized over a certain period based on progress (progress is estimated using the input method based on the incurred costs). When progress cannot be reasonably estimated, but the costs incurred in fulfilling the performance obligation are expected be recovered, the cost recovery standard is applied until the progress of fulfillment of performance obligations can be reasonably estimated.

Additionally, construction contracts for which there is a very short period from the transaction start date in the contract to the time when the performance obligation is expected to be fully satisfied recognize the revenue at the time the performance obligation is fully satisfied.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of retroactively applying a new accounting policy prior to the beginning of the current consolidated fiscal year is added to or subtracted from retained earnings at the beginning of the current consolidated fiscal year and the new accounting policy is applied from the balance at the beginning of the current consolidated fiscal year.

As a result, there is no impact on profit or loss for the current consolidated fiscal year and there no impact on the balance of retained earnings at the beginning of the current consolidated fiscal year.

In accordance with the transitional treatment provided for in paragraph 89-3 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal years are omitted from Revenue Recognition.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the current consolidated the fiscal year and has decided to apply new accounting policies prescribed in the Fair Value Measurement Accounting Standard and related measures in the future in accordance with the transitional handling stipulated in Section 19 of the Accounting Standard For Fair Value Measurement and Section 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019). Application of this standard has no impact on the consolidated financial statements.

Notes to Financial instruments list matters regarding a breakdown at each input level for the fair value of financial instruments. However, in accordance with Item 7-4 of ASBJ Guidance No.19, “Implementation Guidance on Disclosures about Fair Value of Financial Instruments,” these notes are omitted for the previous fiscal year.

CHANGE OF THE PRESENTATION METHOD

(Consolidated statements of income)

“Foreign exchange gains” included in "Other" under “Non-operating income” in the previous consolidated fiscal year is accounted for as a separate item in the current consolidated fiscal year because this exceeded 10% of total non-operating income.

To reflect this change in the presentation method, “Other” of 803 million yen under “Non-operating income” in the consolidated financial statements for the previous consolidated fiscal year have been reclassified as “Foreign exchange gains” of 82 million yen and “Other” of 720 million yen under “Non-operating income.”

Because there was no “Commission for purchase of treasury shares,” which was presented as a separate item under “Non-operating expenses” in the previous consolidated fiscal year, this is included in “Other” of “Non-operating expenses” in the current consolidated fiscal year.

In addition, “Compensation expenses” which was presented as a separate item under “Non-operating expenses” in the previous consolidated fiscal year, is now included in “Other” under “non-operating expenses” in the current consolidated fiscal year because because this was less than 10% total non-operating expenses. To reflect these changes in the presentation method, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, “Commission for purchase of treasury shares” of 180 million yen, “Compensation expenses” of 155 million yen and “Other” of 360 million yen presented under Non-operating expenses in the Consolidated Statements of Income for the previous consolidated fiscal year are reclassified as “Other” of 696 million yen under non-operating expenses.

Because “Impairment losses” included in “Other” under “Extraordinary loss” in the previous consolidated fiscal year exceeded 10% of the total amount of extraordinary loss, it is presented separately from the current consolidated fiscal year. In addition, because “Loss on retirement of non-current assets” and “Loss on liquidation of subsidiaries and associates” presented under “Extraordinary loss” in the previous consolidated fiscal year were less than 10% of the total amount of extraordinary loss, these are included in "Other" under "Extraordinary loss" from the current consolidated fiscal year. To reflect these changes in the presentation method, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Loss on retirement of non-current assets" of 67 million yen, "Loss on liquidation of subsidiaries and associates" of 122 million yen and "Other" of 25 million yen presented under Extraordinary loss in the Consolidated Statements of Income for the previous consolidated fiscal year are reclassified as "Impairment losses" of 2 million yen and "other" of 213 million yen, under Extraordinary loss.

(Consolidated statements of Cash Flows)

"Impairment losses," which was presented under "Other" in "Cash flows from operating activities" in the previous consolidated fiscal year, is presented as a separate item in the current consolidated fiscal year because the monetary amount is important. To reflect these changes in the presentation method, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Other" of 5,554 million yen that was presented in "Cash flows from operating activities" in the Consolidated Statements of Cash Flows in the previous consolidated fiscal year is reclassified as "Impairment losses of 2 million yen and "Other" of 5,551 million yen.

Because there was no "Payments of loans receivable," which was presented as a separate item under "Net cash provided by (used in) investment activities" in the Consolidated Statements of Cash Flows in the previous consolidated fiscal year, this is included in "Other" in Net cash provided by (used in) investment activities in the current consolidated fiscal year. To reflect these changes in the presentation method, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Payments of loans receivable," of (100) million yen and "Other" of (1,086) million yen that was presented in "Net cash provided by (used in) investment activities" in the Consolidated Statements of Cash Flows in the previous consolidated fiscal year is reclassified as "Other" of (1,186) million yen.

ADDITIONAL INFORMATION

(Thinking regarding the impact of COVID-19 in making accounting estimates)

Forecasting when COVID-19 will subside is difficult. Nonetheless, we have made accounting estimates based on the information available at the time of preparation of the consolidated financial statements. As a premise of the estimate, we assume that the impact of COVID-19 will continue for the time being. Nevertheless, in the current consolidated fiscal year, work interruptions and declining construction demand at some overseas subsidiaries had a certain degree of impact on the consolidated financial statements. However, other than this, the impact of COVID-19 was minor. The timing of the subsiding of COVID-19 and trends in the construction market could have an impact on the consolidated financial statements for the next consolidated fiscal year such as by leading to a decrease in the amount of construction orders received and an accompanying decrease in net sales of completed construction contracts and profits.

NOTES TO CONSOLIDATED BALANCE SHEETS

1. Among notes receivable, accounts receivable from completed construction contracts and other, the amounts of receivables and contract assets arising from contracts with customers are as follows:

March 31

	Millions of yen	Thousands of U.S. dollars
	2022	2022
Notes receivable	¥22,883	$186,971
Accounts receivable from completed construction contracts	115,164	940,966
Contract assets	70,252	574,005

2. Among advances received on uncompleted construction contracts, the amount of contract liabilities is as follows:

March 31

	Millions of yen	Thousands of U.S. dollars
	2022	2022
Contract liabilities	¥11,008	$89,947

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Investment securities-equity	¥2,420	¥2,464	$20,140

4. 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
	2021	2022	2022
Investment securities-equity	¥11	¥11	$89
Investments and other assets-long-term loans receivable	7	6	51

5. Guarantee obligations

The Company guarantees payments for shared lines and shared fees of the following companies.

March 31

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
BAN-BAN Networks Co., Ltd.	¥21	¥21	$172

6. 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
	2021	2022	2022
Buildings and structures, machinery and vehicles	¥5,136	¥5,151	$42,088

7. Commitment line contracts

The Company has concluded commitment line contracts with four banks to procure working capital in a stable and efficient manner. The unexecuted loan balance concerning the commitment line contracts at the end of the consolidated fiscal year based on these contracts is as follows:

March 31

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Total amount of commitment line contracts	¥50,000	¥50,000	$408,530
Executed loan balance	10,500	10,500	85,791
Differential amount	39,500	39,500	322,738

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

1. Revenue generated from contracts with customers

Revenue generated from contracts with customers and other revenue are not classified separately for the amount of net sales of completed construction contracts. The amount of revenue generated from contracts with customers is described "Notes (Revenue Recognition) 1. Information that breaks down the revenue generated from contracts with customers" in the consolidated financial statements.

2. 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
2021	2022	2022
¥(7)	¥25	$212

3. 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
2021	2022	2022
¥281	¥1,626	$13,291

4. 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
	2021	2022	2022
Employees' salaries	¥27,283	¥27,657	$225,981
Retirement benefit expenses	1,613	1,580	12,910
Provision of allowance for doubtful accounts	(730)	1,288	10,530

5. 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
2021	2022	2022
¥575	¥651	$5,319

6. The principal breakdown of other in extraordinary income are as follows:

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Gain on sale of noncurrent assets	¥108	¥17	$143
Gain on sale of memberships	1	31	259

7. The breakdown of gain on sales of noncurrent assets included in other (extraordinary income) is as follows:

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Buildings and structures	¥ 7	¥—	$ —
Machinery and vehicles	7	8	67
Tools, furniture and fixtures	0	0	0
Land	93	9	75
Total	108	¥17	$143

8. The principal breakdown of other in extraordinary loss are as follows:

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Loss on sales of noncurrent assets	¥ 3	¥ 1	$ 9
Loss on retirement of noncurrent assets	67	87	717
Loss on sale of investment securities	2	0	0
Loss on valuation of investment securities	1	18	148
Loss on sale of memberships	—	8	65
Loss on valuation of memberships	16	2	16
Loss on liquidation of subsidiaries	122	1	14

9. The breakdown of loss on sale of noncurrent assets included in other (extraordinary loss) is as follows:

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Buildings and structures	¥2	¥1	$8
Machinery and vehicles	0	0	0
Tools, furniture and fixtures	0	0	0
Total	3	1	9

10. Impairment loss

For the fiscal years ended March 31, 2021 and 2022, the Group recorded the following impairment losses for asset groups.

For the fiscal year ended March 31, 2021

Application	Location	Type	Millions of yen
Idle assets	Kinki region: 2 properties	Land	¥2
	Other: 1 property	Land	0

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 were recorded in Extraordinary losses.

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.

For the fiscal year ended March 31, 2022

Application	Location	Type	Millions of yen	Thousands of U.S. dollars
Idle assets	Kinki region: 6 properties	Land	¥ 12	$ 105
	Other: 2 property	Land	0	5
—	United Arab Emirates Dubai Emirate	Goodwill	723	5,915
		Customer-related assets	604	4,940
		Backorder	242	1,983

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 were recorded in Extraordinary losses.

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.

Goodwill, customer-related assets, and backorder are related to International Electro-Mechanical Services, a consolidated subsidiary and are recorded because there is no expectation of realizing excess earnings power as initially envisioned. As a result, the entire book value of goodwill, customer-related assets and backorder was recorded as an extraordinary loss in the form of impairment losses.

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
	2021	2022	2022
Valuation difference on available-for-sale securities			
Amount recorded during the period	¥21,399	¥(1,850)	$(15,120)
Reclassification adjustments	(2,566)	(1,089)	(8,899)
Amount before tax effect adjustments	18,833	(2,939)	(24,019)
Tax effect	(5,593)	877	7,168
Valuation difference on available-for-sale securities	13,240	(2,062)	(16,851)
Foreign currency translation adjustment			
Amount recorded during the period	(532)	1,230	10,052
Reclassification adjustments	—	—	—
Foreign currency translation adjustment	(532)	1,230	10,052
Remeasurements of defined benefit plans, net of tax			
Amount recorded during the period	2,297	781	6,381
Reclassification adjustments	523	482	3,939
Amount before tax effect adjustments	2,820	1,263	10,320
Tax effect	(871)	(378)	(3,094)
Remeasurements of defined benefit plans, net of tax	1,949	884	7,226
Total other comprehensive income	¥14,656	¥ 52	$ 427

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the fiscal year ended March 31, 2021

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, 2020	Increase	Decrease	At March 31, 2021
Stock issued				
Common stock	218,141	—	13,000	205,141
Total	218,141	—	13,000	205,141
Treasury stock				
Common stock	6,702	6,491	13,000	194
Total	6,702	6,491	13,000	194

(Note) An increase 6,491 thousand in the number of common treasury shares resulted from purchases of 6,489 thousand shares of common treasury shares based on a resolution by the Board of Directors and purchases of 2 thousand shares constituting less than one trading unit. The decrease in the number of common stock treasury shares by 13,000 thousand shares is due to the cancellation of treasury shares based on a resolution by the Board of Directors.

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, 2020	Common stock	¥3,594 million	¥17.0	March 31, 2020	June 25, 2020
Board of Directors' Meeting on October 29, 2020	Common stock	¥3,302 million	¥16.0	September 30, 2020	November 27, 2020

(2) Dividends with a date of record during the fiscal year ended March 31, 2021 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, 2021	Common stock	¥3,893 million	Retained earnings	¥19.0	March 31, 2021	June 25, 2021

For the fiscal year ended March 31, 2022

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, 2021	Increase	Decrease	At March 31, 2022
Stock issued				
Common stock	205,141	—	—	205,141
Total	205,141	—	—	205,141
Treasury stock				
Common stock	194	1	0	196
Total	194	1	0	196

(Note) The increase in the number of common stock treasury shares by 1,000 shares is due to the purchase of shares less than one unit. The decrease in the number of common stock treasury shares of 0 thousand shares is due to the sale and transfer of additional purchase requests for shares less than one 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, 2021	Common stock	¥3,893 million $31,816 thousand	¥19.0 $0.15	March 31, 2021	June 25, 2021
Board of Directors' Meeting on October 28, 2021	Common stock	¥3,586 million $29,304 thousand	¥17.5 $0.14	September 30, 2021	November 26, 2021

(2) Dividends with a date of record during the fiscal year ended March 31, 2022 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, 2022	Common stock	¥3,996 million $32,653 thousand	Retained earnings	¥19.5 $0.15	March 31, 2022	June 27, 2022

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
	2021	2022	2022
Cash and deposits	¥ 42,422	¥ 46,289	$ 378,217
Deposits with maturities longer than 3 months	(2,276)	(1,788)	(14,612)
Short-term investment with maturities within 3 months after the date of acquisition	129,000	139,999	1,143,882
Cash and cash equivalents	169,146	184,501	1,507,487

2. Principal breakdown of assets and liabilities of company that became a newly consolidated subsidiary through the acquisition of shares or equity

For the fiscal years ended March 31, 2021

Not applicable.

For the fiscal years ended March 31, 2022

The breakdown of assets and liabilities at the start of consolidation following the consolidation of Fujikura Engineering Ltd. (the name of the company after the business combination is FEN Co., Ltd.) through the acquisition of shares is as follows. The acquisition price of shares is not disclosed per agreement between the parties.

	Millions of yen	Thousands of U.S. dollars
	2022	2022
Current assets	¥2,252	$18,404
Noncurrent assets	190	1,553
Total assets	2,442	19,958
Current liabilities	891	7,284
Noncurrent liabilities	267	2,189
Total liabilities	1,159	9,473

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.

Deposits paid and long-term deposits are to Kansai Electric Power Co., Inc., and the Company has judged that there is minimal credit risk.

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

Short-term loans payable and long-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 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.

March 31, 2021

	Millions of yen		
	Book value	Market value	Difference
(1) Short-term investment securities and investment securities	¥265,007	¥264,961	¥(46)
Total assets	265,007	264,961	(46)
(1) Long-term loans payable	59	59	—
Total liabilities	59	59	—
Derivatives	—	—	—

*1 Note is omitted for cash and the market values of deposits, notes receivable, accounts receivable from completed construction, deposits paid, notes payable, accounts payable for construction contracts and other, and short-term loans payable are omitted because market values approximate book value as these are settled within a short time period.

*2 The following financial instruments are not included in "(1) Securities and investment securities" because these have no market prices and ascertaining market prices is extremely difficult. The amounts of the financial instruments are recorded on the consolidated balance sheets as follows.

	For the fiscal year ended March 31, 2021
Unlisted stocks and others	¥5,198 million

March 31, 2022

	Millions of yen		
	Book value	Market value	Difference
(1) Short-term investment securities and investment securities	¥274,189	¥274,071	¥(118)
(2) Long-term deposits	10,000	9,993	(6)
Total assets	284,189	284,065	(124)
(1) Long-term loans payable	52	51	(0)
Total liabilities	52	51	(0)
Derivatives	—	—	—

*1 Note is omitted for cash and the market values of deposits, notes receivable, accounts receivable from completed construction, deposits paid, notes payable, accounts payable for construction contracts and other, and short-term loans payable are omitted because market values approximate book value as these are settled within a short time period.

March 31, 2022

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Short-term investment securities and investment securities	$2,240,296	$2,239,329	$ (966)
(2) Long-term deposits	81,706	81,656	(49)
Total assets	2,322,002	2,320,985	(1,016)
(1) Long-term loans payable	428	421	(7)
Total liabilities	428	421	(7)
Derivatives	—	—	—

*1 Note is omitted for cash and the market values of deposits, notes receivable, accounts receivable from completed construction, deposits paid, notes payable, accounts payable for construction contracts and other, and short-term loans payable are omitted because market values approximate book value as these are settled within a short time period.

*2 Stocks without market prices are not included in (1) Securities and investment securities. The amounts recorded on the consolidated balance sheets for the said financial instruments are as follows.

	For the fiscal year ended March 31, 2022
Unlisted stocks and others	¥5,158 million $42,151 thousand

(Note 1) Estimated values of financial receivables and securities with maturity dates beyond the consolidated balance sheet date

March 31, 2021

	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	¥ 42,422	¥ —	¥ —	¥—
Notes receivable, accounts receivable from completed construction contracts and other	208,982	—	—	—
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	7,422	38,323	1,700	10
Held-to-maturity debt securities (Negotiable certificate of deposits)	129,000	—	—	—
Other	—	—	10	—
Deposits paid	20,000	—	—	—
Total	¥407,827	¥38,323	¥1,710	¥10

March 31, 2022

	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	¥ 46,289	¥ —	¥ —	¥—
Notes receivable, accounts receivable from completed construction contracts and other	208,300	—	—	—
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	12,600	35,224	1,000	—
Held-to-maturity debt securities (Commercial paper)	4,999	—	—	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	135,000	—	—	
Deposits paid	10,000	—	—	—
Long-term deposits	—	10,000	—	
Total	¥417,190	¥45,224	¥1,000	¥—

March 31, 2022

	Thousands of U.S. dollars			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	$ 378,217	$ —	$ —	$ —
Notes receivable, accounts receivable from completed construction contracts and other	1,701,943	—	—	—
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	102,949	287,805	8,170	—
Held-to-maturity debt securities (Commercial paper)	40,851	—	—	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	1,103,031	—	—	—
Deposits paid	81,706	—	—	—
Long-term deposits	—	81,706	—	—
Total	$3,408,699	$369,511	$8,170	$ —

(Note 2) As for the amount of long-term loans payble and lease obligations due beyond the consolidated balance sheet date, see Schedule of Outstanding Loans, etc. in the Consolidated Supplemental Schedules.

3. Matters concerning the breakdown of each level of market value for financial instruments

The market value of financial instruments is classified into the following three levels according to the observability and importance of the input related to the calculation of market value.

Level 1 market value: Of the inputs related to the calculation of the observable market value, the market value of the asset or liability formed in an active market and subject to the calculation of market value.

Level 2 market value: Of the inputs related to the calculation of observable market value, the market value calculated using the inputs related to the calculation of market value other than for Level 1 input.

Level 3 market value: Market value calculated using inputs related to the calculation of unobservable market value.

When using multiple inputs that have a significant impact on the market value calculation, the market value is classified into the lowest priority level in the calculation of market value calculation among the respective levels to which each inputs belongs.

(1) Financial instruments recorded on the consolidated balance sheets at market value

For the fiscal years ended March 31, 2022

	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Available-for-sale securities				
Equity	¥85,239	—	—	¥85,239
Total assets	¥85,239	—	—	¥85,239

For the fiscal years ended March 31, 2022

	Market value (Thousands of U.S. dollars)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Available-for-sale securities				
Equity	$696,459	—	—	$696,459
Total assets	$696,459	—	—	$696,459

(2) Financial instruments other than those recorded on the consolidated balance sheets at market value

For the fiscal years ended March 31, 2022

	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Held-to-maturity debt securities				
Corporate bonds	—	¥ 48,812	—	¥ 48,812
Negotiable certificate of deposits	—	135,000	—	135,000
Commercial paper	—	4,999	—	4,999
Available-for-sale securities				
Other	—	19	—	19
Long-term deposits	—	9,993	—	9,993
Total assets	—	198,825	—	198,825
Long-term loans payable	—	51	—	51
Total liabilities	—	¥ 51	—	¥ 51

For the fiscal years ended March 31, 2022

	Market value (Thousands of U.S. dollars)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Held-to-maturity debt securities				
Corporate bonds	—	$ 398,828	—	$ 398,828
Negotiable certificate of deposits	—	1,103,031	—	1,103,031
Commercial paper	—	40,851	—	40,851
Available-for-sale securities				
Other	—	158	—	158
Long-term deposits	—	81,656	—	81,656
Total assets	—	1,624,525	—	1,624,525
Long-term loans payable	—	421	—	421
Total liabilities	—	$ 421	—	$ 421

(Note) Explanation of valuation techniques and inputs used to calculate market value

Short-term investment securities and investment securities

Listed stocks and corporate bonds are valued using market prices. Because listed stocks are traded in active markets, their market value is classified as Level 1 market value.

Corporate bonds are classified as Level 2 market value because these are rarely traded in markets and are not recognized as having market values in active markets.

Negotiable certificate of deposits and commercial paper are settled in short time periods and thus their market value is almost equal to the book value and therefore these are classified as having Level 2 market value based on book value.

Long-term deposits

These are classified as Level 2 market value and market value is based on present value discounted by the interest rate adding time to maturity and credit risk.

Long-term loans payable

These are classified as Level 2 market value based on the total amount of principal and interest and the present value discounted by the interest rate and including the remaining period of the said liability and credit risk.

SECURITIES

1. Held-to-Maturity Debt Securities

March 31, 2021

	Millions of yen		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Corporate bonds	¥ 17,487	¥ 17,548	¥ 60
Other	10	16	6
Subtotal	17,497	17,565	67
(2) Securities whose market value is equal to or lower than the book value			
Corporate bonds	30,093	29,979	(113)
Negotiable certificates of deposit	129,000	129,000	—
Subtotal	159,093	158,979	(113)
Total	¥176,590	¥176,544	¥ (46)

March 31, 2022

	Millions of yen		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Corporate bonds	¥ 12,553	¥ 12,579	¥ 26
Subtotal	12,553	12,579	26
(2) Securities whose market value is equal to or lower than the book value			
Corporate bonds	36,377	36,233	(144)
Commercial paper	4,999	4,999	—
Negotiable certificates of deposit	135,000	135,000	—
Subtotal	176,377	176,233	(144)
Total	¥188,930	¥188,812	¥(118)

March 31, 2022

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Corporate bonds	$ 102,568	$ 102,780	$ 212
Subtotal	102,568	102,780	212
(2) Securities whose market value is equal to or lower than the book value			
Corporate bonds	297,227	296,048	(1,179)
Commercial paper	40,851	40,851	—
Negotiable certificates of deposit	1,103,031	1,103,031	—
Subtotal	1,441,109	1,439,930	(1,179)
Total	$1,543,678	$1,542,711	$ (966)

2. Available-for-Sale Securities

March 31, 2021

	Millions of yen		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	¥88,226	¥27,781	¥60,444
Subtotal	88,226	27,781	60,444
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	181	196	(14)
Other	8	8	—
Subtotal	190	205	(14)
Total	¥88,416	¥27,987	¥60,429

March 31, 2022

	Millions of yen		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	¥84,754	¥27,206	¥57,547
Subtotal	84,754	27,206	57,547
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	485	543	(57)
Other	19	19	—
Subtotal	504	562	(57)
Total	¥85,259	¥27,769	¥57,489

March 31, 2022

	Thousands of U.S. dollars		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	$692,493	$222,295	$470,197
Subtotal	692,493	222,295	470,197
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	3,966	4,440	(473)
Other	158	158	—
Subtotal	4,124	4,598	(473)
Total	$696,617	$226,893	$469,724

3. Available-for-Sale Securities Sold

For the fiscal year ended March 31, 2021

	Millions of yen		
	Sold	Total gain on sales	Total loss on sales
Equity	¥3,863	¥2,738	¥2
Total	¥3,863	¥2,738	¥2

For the fiscal year ended March 31, 2022

	Millions of yen		
	Sold	Total gain on sales	Total loss on sales
Equity	¥2,013	¥1,115	¥0
Other	15	6	—
Total	¥2,029	¥1,121	¥0

For the fiscal year ended March 31, 2022

	Thousands of U.S. dollars		
	Sold	Total gain on sales	Total loss on sales
Equity	$16,450	$9,114	$0
Other	128	50	—
Total	$16,579	$9,164	$0

4. Impairment Loss on Securities

For the fiscal year ended March 31, 2021

During the fiscal year ended March 31, 2021, the Company recognized impairment loss on securities of ¥1 million (¥1 million on stocks without market values in available- for-sale-securities).

The Group determines impairment loss on the stocks and corporate bonds in question based on "significant decline," which it defines as a decline of 30% or higher in the market value for stocks and corporate bonds 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, 2022

During the fiscal year ended March 31, 2022, the Company recognized impairment loss on securities of ¥18 million (US$148 thousand) (¥18 million (US$148 thousand) on excluding stocks without market prices in available- for-sale-securities).

The Group determines impairment loss on the stocks and corporate bonds in question based on "significant decline," which it defines as a decline of 30% or higher in the market value for stocks and corporate bonds with market prices 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 prices respectively.

DERIVATIVE TRANSACTIONS

For the fiscal years ended March 31, 2021 and 2022

Not applicable.

RETIREMENT BENEFITS

1. Outline of the Adopted Retirement Benefit Plan

The Company has adopted funded and unfunded defined plans and defined contribution 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
	2021	2022	2022
Opening balance of projected benefit obligations	¥93,721	**¥94,039**	**$768,356**
Service cost	3,674	**4,198**	**34,303**
Interest cost	274	**275**	**2,247**
Actuarial loss	432	**(46)**	**(376)**
Retirement benefits provided	(4,064)	**(4,132)**	**(33,768)**
Increase in value due to the acquisition of a newly consolidated subsidiary	—	**267**	**2,189**
Closing balance of projected benefit obligations	¥94,039	**¥94,601**	**$772,950**

(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
	2021	2022	2022
Opening balance of plan assets	¥76,757	**¥79,583**	**$650,241**
Expected return on plan assets	1,526	**1,582**	**12,931**
Actuarial gain	2,729	**734**	**6,004**
Contribution of employer	1,775	**1,799**	**14,706**
Retirement benefits paid	(3,205)	**(3,070)**	**(25,084)**
Closing balance of plan assets	¥79,583	**¥80,630**	**$658,798**

(3) Reconciliation schedule for the closing balance of projected benefit obligations and plan assets, and for net defined benefit liability and asset recorded on the consolidated balance sheet

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Projected benefit obligations, funded plan	¥ 73,968	¥ 73,435	$ 600,009
Plan assets	(79,583)	(80,630)	(658,798)
	(5,614)	(7,195)	(58,789)
Projected benefit obligations, unfunded plan	20,070	21,166	172,941
Net amount of liabilities and assets recorded on the balance sheet	14,456	13,971	114,151
Net defined benefit liability	20,167	21,242	173,560
Net defined benefit asset	(5,711)	(7,271)	(59,409)
Net amount of liabilities and assets recorded on the balance sheet	¥ 14,456	¥ 13,971	$ 114,151

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

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Service cost*1,2	¥ 3,674	¥ 4,198	$ 34,303
Interest cost	274	275	2,247
Expected return on plan assets	(1,526)	(1,582)	(12,931)
Amortization value of actuarial loss	1,547	1,505	12,303
Amortization value of prior service cost	(1,023)	(1,023)	(8,364)
Retirement benefit expenses related to defined benefit plans	¥ 2,946	¥ 3,372	$ 27,558

*1 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 effect deductions

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

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Prior service cost	¥ 1,023	¥ 1,023	$ 8,364
Actuarial gains and losses	(3,844)	(2,286)	(18,685)
Total	¥(2,820)	¥(1,263)	$(10,320)

(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
	2021	2022	2022
Unrecognized prior service cost	¥(10,064)	¥(9,040)	$(73,868)
Unrecognized actuarial loss	7,961	5,674	46,367
Total	¥ (2,102)	¥(3,365)	$(27,501)

(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:

	2021	2022
Domestic bonds	39%	43%
Domestic equities	9	12
Foreign bonds	6	6
Foreign equities	10	13
Insurance assets (General account)	28	25
Cash and deposits	0	0
Others	7	1
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

	2021	2022
Discount rate	0.29%, 0.8%	0.29%, 0.8%
Long-term expected rate of return	2.0%, 1.2%	2.0%, 1.2%

3. Defined contribution plan

The required amount of contribution to the Company's defined contribution plan is ¥1,415 million in the previous consolidated fiscal year.

The required amount of contribution to the Company's defined contribution plan is ¥1,439 million (US$11,765 thousand) in the current consolidated fiscal year.

DEFERRED TAX ACCOUNTING

1. Principal Components of Deferred Tax Assets and Liabilities

March 31

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Deferred tax assets:			
Allowance for doubtful accounts	¥ 237	¥ 186	$ 1,523
Accrued expenses	5,227	4,757	38,872
Accrued enterprise tax	890	890	7,276
Net defined benefit liability	4,858	4,972	40,628
Loss on valuation of investment securities	1,170	2,079	16,992
Loss on valuation of memberships	377	364	2,977
Impairment loss	424	426	3,486
Provision for loss on construction contracts	454	768	6,279
Unrealized gains	709	662	5,409
Others	1,574	1,398	11,422
Subtotal of deferred tax assets	15,925	16,506	134,868
Valuation allowance	(2,862)	(3,461)	(28,280)
Total deferred tax assets	13,063	13,045	106,588
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(17,514)	(16,639)	(135,951)
Reserve for advanced depreciation of noncurrent assets	(100)	(100)	(817)
Others	(1,344)	(2,213)	(18,088)
Total deferred tax liabilities	(18,958)	(18,952)	(154,857)
Net defended tax liabilities	¥ (5,895)	¥ (5,907)	$ (48,268)

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

	2021	2022
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.	30.6%
(Adjustments)		
Permanently non-deductible items		1.1
Permanently non-taxable items		(0.3)
Increase/decrease in valuation allowance		1.5
Other		1.0
Corporate tax, etc., overage ratio after application of tax effect accounting		33.9

BUSINESS COMBINATION, ETC

Business combination by acquisition

1. Overview of business combination

1) Name of acquired company and the content of its business

Name of the acquired company: Fujikura Engineering Ltd.

Business content: Electricity/information communication-related construction business

2) Main reasons for the business combination

We made this company into a subsidiary for sustainable growth and development as a "company that supports social infrastructure" by mutually complementing, sharing, and utilizing the management resources of both companies in the renewable energy-related construction market and the next-generation information and communication-related construction market, which are expected to grow in the future.

3) Business combination date

July 30, 2021 (stock acquisition date)
July 1, 2021 (deemed acquisition date)

4) Legal form of business combination

Stock aqusition

5) Company name after combinination

FEN Co., Ltd.

6) Acquired voting rights ratio

100%

7) Main basis for deciding to acquire company

The Company acquired all the shares with cash as the consideration.

2. Fiscal term for business results of the acquired company included in the consolidated financial statements

From July 1, 2021 to March 31, 2022

3. Breakdown of acquisition cost and consideration type for the acquired company

Not disclosed per agreement between the parties.

4. Details and amount of major acquisition-related costs

Advisory costs, etc. 188 million yen (US $1,543 thousand)

5. Amount of goodwill generated, reason for occurrence, amortization method and amortization period

1) Amount generated

3,001 million yen (US $24,521 thousand)

2) Reason for occurrence

From expected excess earning power through future business development.

3) Amortization method and depreciation period

Straight-line amortization over 10 years

6. Amount of assets acquired and liabilities assumed on the business combination date and main items

	Millions of yen	Thousands of U.S. dollars
Current assets	¥2,252	$18,404
Noncurrent assets	190	1,553
Total assets	2,442	19,958
Current liabilities	891	7,284
Noncurrent liabilities	267	2,189
Total liabilities	1,159	9,473

7. Approximate amount of impact on the consolidated income statements for the current consolidated fiscal year assuming that the business combination was completed on the first day of the consolidated fiscal year and calculation method

Omitted because it is difficult to calculate the estimated amount for the current consolidated fiscal year.

ASSET RETIREMENT OBLIGATION

For the fiscal years ended March 31, 2021 and 2022

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, 2021 and 2022

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

REVENUE RECOGNITION

1. Information that breaks down the revenue generated from contracts with customers

For the fiscal year ended March 31, 2022

	Millions of yen	Thousands of U.S. dollars
Goods or services transferred over a period of time	¥327,905	$2,679,185
Goods or services transferred at a point in time	238,888	1,951,866
Revenue from contracts with customers	566,794	4,631,052
Other revenue	—	—
Sales to external customers	566,794	4,631,052

2. Information serving as the basis for understanding revenue generated from contracts with customers

As listed in 5. Summary of Significant Accounting Policies (5) Recognition of Revenues and Cost of Construction Contracts.

3. The relationship between the fulfillment of performance obligations based on contracts with customers and the cash flows generated from the contract as well as Information on the amount and timing of revenue expected to be recognized from the next consolidated fiscal year arising from existing contracts with customers at the end of the current consolidated fiscal year

1) Balance of contract assets and contract liabilities, etc.

For the fiscal year ended March 31, 2022

	Millions of yen	Thousands of U.S. dollars
Trade receivables arising from contracts with customers (balance at start of term)	¥142,288	$1,162,581
Trade receivables arising from contracts with customers (balance at end of term)	138,048	1,127,938
Contract assets (balance at start of term)	66,694	544,934
Contract assets (balance at end of term)	70,252	574,005
Contract liabilities (balance at start of term)	16,694	136,404
Contract liabilities (balance at end of term)	11,008	89,947

Contract assets are mainly unbilled accounts receivable for completed construction contracts concerning recognized revenue based on the measurement of the degree of progress from construction service contracts. Contract assets will be transferred to receivables from contracts with customers when the right of the Company and its consolidated subsidiaries to consideration become unconditional. Contract liabilities are mainly advances received from customers for construction contracts. Contract liabilities are retired when revenue is recognized.

The main reasons for the increase in contract assets of 3,558 million yen (US $29,071 thousand) in the current consolidated fiscal year are an increase due to the fulfillment of performance obligations and a decrease due to the recording of receivables. In addition, the main reasons for the decrease in contract liabilities of 5,685 million yen (US $46,457 thousand) in the current consolidated fiscal year are the increase due to the receipt of advances received on uncompleted construction contracts and a decrease due to the fulfillment of performance obligations.

Of the revenue recognized in the current consolidated fiscal year, the amount included in the contract liability balance as of the beginning of the fiscal year is not significant. Additionally, in the current consolidated fiscal year, the amount of revenue recognized from performance obligations that have been satisfied (or partially satisfied) in past periods is not significant.

2) Transaction price allocated to residual performance obligations

The total transaction amount allocated to the remaining performance obligations at the end of the current consolidated fiscal year is 478,595 million yen (US$3,910,416 thousand). The remaining performance obligations are mainly related to construction contracts and revenue is expected to be recognized for up to a maximum of five years depending on the progress of the construction.

SEGMENT INFORMATION

Segment Information

For the fiscal years ended March 31, 2021 and 2022

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, 2021

(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	Related segment
The Kansai Electric Power Company, Incorporated	¥73,535	Facility Construction Business

(Note) The Kansai Electric Power Company, Incorporated includes Kansai Transmission and Distribution, Inc.

For the fiscal year ended March 31, 2022

(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 Company, Incorporated	¥76,459	$624,719	Facility Construction Business

(Note) The Kansai Electric Power Company, Incorporated includes Kansai Transmission and Distribution, Inc.

Information about Impairment Loss on Noncurrent Assets for Each Reporting Segment

For the fiscal years ended March 31, 2021 and 2022

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 year ended March 31, 2021 and 2022

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

Information about Gain on Negative Goodwill for Each Reporting Segment

For the fiscal year ended March 31, 2021 and 2022

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.

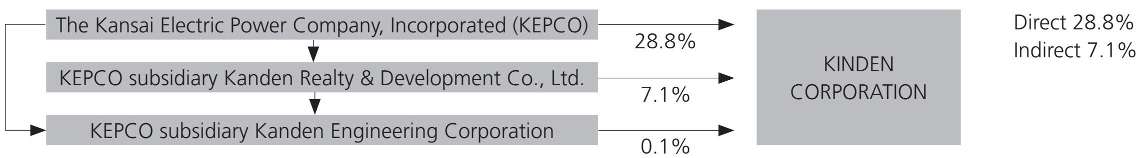
For the fiscal year ended March 31, 2021

<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 Company, Incorporated (Kita-ku, Osaka)</td><td>¥489,320 million</td><td>Electric power business</td><td>(Held)
Direct Indirect
28.8% 7.1%
[See Figure 1]</td><td colspan="2">Receipt of orders for power generation construction, etc.</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">¥1,591 million</td><td>Accounts receivable from completed construction contracts</td><td>¥1,051 million</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥40 million</td></tr>
<tr><td colspan="2">Deposit of assets</td><td>—</td><td>Deposits</td><td>¥20,000 million</td></tr>
</table>

(Note 1) 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.

(Note 2) The interest rate on deposits is determined considering market interest rates. The transaction amount lists the net amount of the increase or decrease during the fiscal period.

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, 2021.

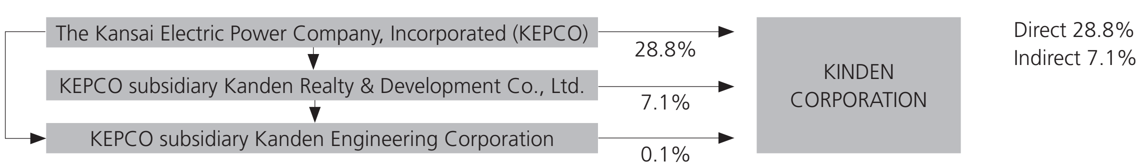
For the fiscal year ended March 31, 2022

<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="6">Other affiliates</td><td rowspan="6">The Kansai Electric Power Company, Incorporated (Kita-ku, Osaka)</td><td>¥489,320 million
$3,998,044 thousand</td><td>Electric power business</td><td>(Held)
Direct Indirect
28.8% 7.1%
[See Figure 1]</td><td colspan="2">Receipt of orders for power generation construction, etc.</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">¥1,266 million
$10,347 thousand</td><td>Accounts receivable from completed construction contracts</td><td>¥1,215 million
$9,928 thousand</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥7 million
$62 thousand</td></tr>
<tr><td colspan="2" rowspan="2">Deposit of assets</td><td rowspan="2">—</td><td>Deposits</td><td>¥10,000 million
$81,706 thousand</td></tr>
<tr><td>Long-term deposits</td><td>¥10,000 million
$81,706 thousand</td></tr>
</table>

(Note 1) 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.

(Note 2) The interest rate on deposits is determined considering market interest rates. The transaction amount lists the net amount of the increase or decrease during the fiscal period.

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, 2022.

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, 2021

<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">Subsidiaries of other affiliates</td><td rowspan="4">Kansai Transmission and Distribution, Inc. (Kita-ku, Osaka)</td><td>¥40,000 million</td><td>General power transmission and distribution business</td><td>—</td><td colspan="2">Receipt of orders for power distribution lining and transmission line construction, etc.</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 period</td></tr>
<tr><td rowspan="2">Operating transactions</td><td rowspan="2">Electrical projects orders</td><td rowspan="2">¥70,256 million</td><td>Accounts receivable from completed construction contracts</td><td>¥11,122 million</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥392 million</td></tr>
</table>

(Note) Transaction conditions and policy for determining transaction conditions

Regarding orders for electrical work, upon undertaking price negotiations that include the price of purchased materials, a construction contract shall be concluded at an appropriate price taking into consideration of market prices and other factors.

For the fiscal year ended March 31, 2022

<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">Subsidiaries of other affiliates</td><td rowspan="4">Kansai Transmission and Distribution, Inc. (Kita-ku, Osaka)</td><td>¥40,000 million
$326,824 thousand</td><td>General power transmission and distribution business</td><td>—</td><td colspan="2">Receipt of orders for power distribution lining and transmission line construction, etc.</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 period</td></tr>
<tr><td rowspan="2">Operating transactions</td><td rowspan="2">Electrical projects orders</td><td rowspan="2">¥73,559 million
$601,022 thousand</td><td>Accounts receivable from completed construction contracts</td><td>¥12,912 million
$105,499 thousand</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥271 million
$2,216 thousand</td></tr>
</table>

(Note) Transaction conditions and policy for determining transaction conditions

Regarding orders for electrical work, upon undertaking price negotiations that include the price of purchased materials, a construction contract shall be concluded at an appropriate price taking into consideration of market prices and other factors.

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
	2021	2022	2022
Net assets per common share	¥2,400.90	**¥2,493.25**	**$20.37**
Profit attributable to owners of parent per common share	156.46	**128.65**	**1.05**

(Note 1) Diluted profit attributable to owners of parent per common share is omitted because there are no dilutive securities.

(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
	2021	2022	2022
Profit attributable to owners of parent	¥32,356	**¥26,366**	**$215,429**
Amount not attributable to ordinary shareholders	—	**—**	**—**
Profit attributable to owners of parent applicable to common stock	32,356	**26,366**	**215,429**

	Thousands of shares	
	2021	2022
Average number of common stock outstanding for each period	206,799	**204,945**

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

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Total net assets	¥493,209	**¥511,843**	**$4,182,066**
Amounts deducted from total net assets	1,152	**864**	**7,066**
Non-controlling interests	1,152	**864**	**7,066**
Total net assets related to common stock	492,056	**510,978**	**4,174,999**

	Thousands of shares	
	2021	2022
Number of common stock used to calculate net assets per share	204,946	**204,944**

SUBSEQUENT EVENTS

Significant Capital Investment

The Company has resolved, at the meeting of its Board of Directors held on May 18, 2022, to make the following capital investment in land and building (including concluding a land and building sales agreement).

(1) Purpose

As a company that supports social infrastructure, the Company will set up a new office for the purpose of further strengthening the electrical sector in order to achieve sustainable growth and development.

(2) Details of capital investment

Location: Koto-ku, Tokyo
Site area: 6,600m^2
Total floor space: 46,452m^2
Planned investment amount: 71.5 billion yen
Time of the acquisition: June 2025 (planned)

(3) Significant effect of the capital investment on operation activities

The effect of this capital investment is expected to be negligible on the consolidated financial results for the fiscal year ending March 31, 2023.

CONSOLIDATED SUPPLEMENTAL SCHEDULES

Schedule of Corporate Bonds

Not applicable.

Schedule of Outstanding Loans, etc.

	At April 1, 2021	At March 31, 2022	Average rate	Due date
Short-term loans payable	¥16,589 million	¥15,988 million $130,637 thousand	0.644%	—
Current portion of long-term loans payable	¥6 million	¥26 million $217 thousand	1.700	—
Current portion of lease obligations	¥53 million	¥52 million $428 thousand	—	—
Long-term loans payable (Excluding current portion of long-term loans payable)	¥52 million	¥25 million $210 thousand	1.700	2024
Lease obligations (Excluding current portion of lease obligations)	¥162 million	¥147 million $1,202 thousand	—	From 2023 to 2027
Other interest-bearing debt	—	—	—	—
Total	¥16,864 million	¥16,240 million $132,697 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 scheduled repayment amounts of long-term debt within 5 years after the consolidated closing date (excluding current portion of long-term loans payable) 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
Long-term loans payable	¥25 million $210 thousand	—	—	—

(Note 3) The aggregate annual maturities of lease obligations within five years after March 31, 2022 (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	¥85 million $698 thousand	¥43 million $354 thousand	¥14 million $118 thousand	¥3 million $28 thousand

Schedule of Asset Retirement Obligations

Not applicable.

OTHERS

Quarterly Information for the Fiscal Year ended March 31, 2022

(Cumulative period)	One quarter	Two quarters	Three quarters	Full year
Net sales	¥107,357 million $877,171 thousand	¥244,144 million $1,994,810 thousand	¥375,198 million $3,065,598 thousand	¥566,794 million $4,631,052 thousand
Profit before income taxes	¥4,250 million $34,730 thousand	¥13,190 million $107,775 thousand	¥22,299 million $182,202 thousand	¥39,444 million $322,288 thousand
Profit attributable to owners of parent	¥2,331 million $19,047 thousand	¥8,516 million $69,583 thousand	¥14,673 million $119,893 thousand	¥26,366 million $215,429 thousand
Profit attributable to owners of parent per common share	¥11.37 $0.09	¥41.55 $0.33	¥71.60 $0.58	¥128.65 $1.05

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Profit attributable to owners of parent per common share	¥11.37 $0.09	¥30.18 $0.24	¥30.04 $0.24	¥57.05 $0.46

(Note) During the fourth quarter consolidated accounting period, provisional accounting treatment for business combinations was finalized. For the relevant quarterly information items for the second and third quarters, the figures are shown after the material revision of the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment has been reflected.

Independent Auditors' Report

The Board of Directors
KINDEN CORPORATION

Opinion

We have audited the accompanying consolidated financial statements of KINDEN CORPORATION and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standard generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Recording sales of completed construction contracts and cost of completed construction contracts based on a method that recognizes revenue over a certain period of time</th></tr>
<tr><th>Description of Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>As described in 5. Summary of Significant Accounting Policies (5) Recognition of Revenues and Costs of Construction Contracts and (Significant accounting estimates) 1. Net sales of completed construction contracts using a method that recognizes revenue over a certain time period, Kinden Corporation and its consolidated subsidiaries apply a method (the input method that estimates the degree of progress based on costs) that recognizes revenue over a certain period of time based on progress for performance obligations that are satisfied over a certain period of time if the progress of the performance obligation can be reasonably estimated. Sales of completed construction contracts recorded based on this method that recognizes revenue over a certain period of time in the current consolidated fiscal year was ¥327,905 million, accounting for 57.9% of the total amount of consolidated sales of completed construction contracts.

Regarding construction contracts for electrical equipment construction, total construction revenue, total construction costs, and the construction progress rate on the settlement date are reasonably estimated based on substantive transaction units agreed upon between the parties, and construction revenue for the current consolidated fiscal year is recognized accordingly.

The Company examines and considers the necessary materials, labor-hours, and construction period to satisfy specifications that meet the needs of customers and then formulates an execution budget based on these results. The formulation of the execution budget involves an estimate of the total construction revenue and total construction costs and the estimate is affected by changes in the environment surrounding the contract (changes in materials used, changes in construction details, etc.).</td><td>We mainly performed the following audit procedures in considering the recognition of construction revenue by applying a method that recognizes revenue over a certain period of time.

1) Evaluation of internal control
We evaluated the design and operational status of revenue and expenditure management and construction progress management for each unit of recognition of construction revenue, and this included internal control related to the timely review of total construction costs.

2) Evaluation of the reasonableness of the estimate of total construction revenue
We performed audit procedures that include the following for the units of recognition for construction revenue to ascertain the details of the contract and evaluate the reasonableness of the estimate of total construction revenue.

For units of recognition of construction revenue derived by using a certain standard, we performed checks with the contract and we read circulated documents and questioned the appropriate person in charge for construction work.

Regarding important construction work near the end of the fiscal term, we implemented on-site inspections and confirmed the existence of the construction project and the suitability of the construction management status.</td></tr>
</table>

Therefore, key assumptions in recognizing construction revenue by applying a method that recognizes revenue over a certain period of time are estimates of total construction revenue, total construction costs, and the construction progress rate. Estimates of total construction revenue and total construction costs and the construction progress rate are accompanied by uncertainties due to changes in the environment surrounding construction contracts. In addition, the judgment of management is also involved and there is believed to be a large risk of arbitrary application. Therefore, we identified this matter as a key audit matter.	3) Evaluation of the reasonableness of estimate of total construction costs We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs. We compared the latest execution budget with the execution budget prior to the changes and evaluated details of differences and verified whether changes in the environment are reflected in the execution budget estimate. To verify whether the execution budget is updated in a timely manner, we questioned the appropriate persons about the execution budget not having been updated for a certain period of time. To evaluate the accuracy of estimates of total construction costs, the actual amount incurred for the projects completed in the current term and the latest execution budget for the projects in progress are compared with the execution budget in the previous fiscal period. 4) Evaluation of the reasonableness of the estimate of the construction progress rate We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs. To verify the appropriateness of the recording of costs, sample vouching was implemented for material costs and outsourcing costs and we used a work schedule to confirm the progress of the construction and questioned the appropriate persons in charge. We performed positive confirmation procedures to verify the appropriateness of construction accounts payable.

Estimate of provision for loss on construction contracts	
Description of Key Audit Matter	Auditor's Response
As detailed in 5. Summary of Significant Accounting Policies (3) Accounting Basis for Allowances and (Significant Accounting Estimates) 2. Recording of Provision for Loss on Construction Contracts, to prepare for future losses on construction orders, Kinden Corporation and its consolidated subsidiaries record the expected amount of loss for work on hand at the end of the current consolidated fiscal year that is expected to incur losses and for which the amount can be reasonably estimated. The amount recorded for provision for loss on construction contracts at the end of the current consolidated fiscal year was 2,511 million yen. Regarding the recording of the provision for loss on construction contracts, because of the increase in large-scale construction projects in recent years, there is a high degree of uncertainty in estimating the total amount of construction costs. Therefore, the judgment of management has an important influence in estimating total construction revenue and the total construction costs that serves as the assumptions for provision for loss on construction contracts and there is believed to be a large risk of arbitrary application. Therefore, we identified this matter as a key audit matter.	We mainly performed the following audit procedures in considering the recording of provision of loss on construction contracts. 1) Evaluation of internal control We evaluated the design and operational status of revenue and expenditure management and construction progress management for each unit of recognition of construction revenue, and this included internal control related to the timely review of total construction costs. 2) Evaluation of the reasonableness of the estimate of total construction revenue We performed audit procedures that include the following for the units of recognition for construction revenue to ascertain the details of the contract and evaluate the reasonableness of the estimate of total construction revenue. For units of recognition of construction revenue derived by using a certain standard, we performed checks with the contract and we read circulated documents and questioned the appropriate person in charge for construction work. Regarding important construction work near the end of the fiscal term, we implemented on-site inspections and confirmed the existence of the construction project and the suitability of the construction management status.

	3) Evaluation of the reasonableness of the estimate of total construction costs We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs. We compared the latest execution budget with the execution budget prior to the changes and evaluated details of differences and verified whether changes in the environment are reflected in the execution budget estimate. To verify whether the execution budget is updated in a timely manner, we questioned the appropriate persons about the execution budget not having been updated for a certain period of time. To evaluate the accuracy of estimates of total construction costs, the actual amount incurred for the projects completed in the current term and the latest execution budget for the projects in progress are compared with the execution budget in the previous fiscal period.

Other Information

The other information comprises the information included in a disclosure document that contains audited consolidated financial statements but does not include the consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. Audit & Supervisory Board and its members are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board and its members for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance 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 misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board and its members are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, for the risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board and its members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board and its members with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board and its members, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2022 are presented solely for convenience. Our audit also included the translation of Japanese yen amount into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note1 to the consolidated financial statements.

PKF Hibiki Audit Corporation
Osaka, Japan
June 24, 2022

Toru Yasuhara
Representative Partner
Engagement Partner
Certified Public Accountant

T. Yasuhara

Takahiro Fujita
Representative Partner
Engagement Partner
Certified Public Accountant

Takahiro Fujita

Takanori Nakasuka
Representative Partner
Engagement Partner
Certified Public Accountant

Takanori Nakasuka

Non-Consolidated Statements of Income

KINDEN CORPORATION
For the fiscal years ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Net sales of completed construction contracts	¥486,705	¥493,724	$4,034,023
Cost of sales of completed construction contracts	402,144	410,680	3,355,506
Gross profit on completed construction contracts	84,561	83,043	678,516
Selling, general and administrative expenses	47,064	47,907	391,430
Operating income	37,496	35,136	287,085
Non-operating income:			
Interest income	186	153	1,254
Interest on securities	156	145	1,188
Dividends income	4,080	3,934	32,148
Other	488	765	6,251
Total non-operating income	4,911	4,998	40,843
Non-operating expenses:			
Interest expenses	173	150	1,228
Loss on valuation of inventories	—	100	817
Dismantlement cost	126	150	1,227
Other	567	290	2,375
Total non-operating expenses	867	691	5,648
Ordinary income	41,541	39,443	322,280
Extraordinary income:			
Gain on sales of investment securities	2,737	1,107	9,047
Other	101	47	386
Total extraordinary income	2,838	1,154	9,433
Extraordinary loss:			
Loss on valuation of investments in capital of subsidiaries and associates	—	3,267	26,699
Other	201	98	807
Total extraordinary losses	201	3,366	27,507
Profit before income taxes	44,178	37,231	304,206
Income taxes:			
Income taxes-current	12,840	11,277	92,143
Income taxes-deferred	272	130	1,065
Total income taxes	13,112	11,407	93,208
Profit	¥ 31,065	¥ 25,824	$ 210,998

	Yen		U.S. dollars
	2021	2022	2022
Amounts per common share:			
Profit	¥150.22	¥126.00	$1.02
Cash dividends	35.00	37.00	0.30

Non-Consolidated Balance Sheets

KINDEN CORPORATION
March 31, 2021 and 2022

ASSETS	Millions of yen 2021	Millions of yen 2022	Thousands of U.S. dollars 2022
CURRENT ASSETS:			
Cash and deposits	¥ 16,497	¥ 16,825	$ 137,472
Notes receivable-trade	1,882	2,149	17,564
Electronically recorded monetary claims	23,715	18,383	150,203
Accounts receivable from completed construction contracts	158,411	160,147	1,308,503
Short-term investment securities	136,409	152,603	1,246,866
Costs on uncompleted construction contracts	15,946	16,833	137,540
Raw materials and supplies	1,505	1,514	12,373
Deposits paid	20,000	10,000	81,706
Other	4,055	3,108	25,399
Allowance for doubtful accounts	(661)	(481)	(3,935)
Total current assets	377,763	381,084	3,113,693
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings	80,263	80,882	660,858
Accumulated depreciation	(56,557)	(57,645)	(470,996)
Buildings, net	23,705	23,237	189,862
Structures	5,903	5,962	48,713
Accumulated depreciation	(5,142)	(5,211)	(42,585)
Structures, net	761	750	6,128
Machinery and equipment	2,439	2,545	20,798
Accumulated depreciation	(2,002)	(2,098)	(17,145)
Machinery and equipment, net	436	447	3,652
Vehicles	21,108	21,927	179,156
Accumulated depreciation	(17,210)	(17,829)	(145,676)
Vehicles, net	3,898	4,097	33,480
Tools, furniture and fixtures	9,683	9,646	78,817
Accumulated depreciation	(8,476)	(8,370)	(68,388)
Tools, furniture and fixtures, net	1,207	1,276	10,429
Land	55,900	56,255	459,645
Construction in progress	144	1,245	10,173
Total property, plant and equipment	86,054	87,309	713,372
INTANGIBLE ASSETS:			
Leasehold right	116	116	950
Telephone subscription right	136	136	1,113
Software	2,367	2,538	20,737
Total intangible assets	2,620	2,790	22,801
INVESTMENTS AND OTHER ASSETS:			
Investment securities	126,791	119,785	978,721
Stocks of subsidiaries and associates	9,366	15,564	127,172
Investments in capital of subsidiaries and associates	3,267	3,151	25,745
Long-term deposits	—	10,000	81,706
Long-term loans receivable	107	106	868
Long-term loans receivable from employees	1	—	—
Long-term loans receivable from subsidiaries and associates	10,537	9,334	76,267
Claims provable in bankruptcy, claims provable in rehabilitation and other	—	9	75
Long-term prepaid expenses	90	95	779
Prepaid pension cost	1,627	2,123	17,350
Other	3,364	3,245	26,520
Allowance for doubtful accounts	(798)	(778)	(6,360)
Total investments and other assets	154,355	162,637	1,328,847
Total noncurrent assets	243,030	252,737	2,065,021
Total assets	¥620,793	¥633,822	$5,178,714

LIABILITIES AND NET ASSETS

	Millions of yen 2021	Millions of yen 2022	Thousands of U.S. dollars 2022
CURRENT LIABILITIES:			
Notes payable-trade	¥ 1,470	¥ 1,002	$ 8,193
Accounts payable for construction contracts	62,859	70,270	574,152
Short-term loans payable	14,760	14,810	121,006
Accounts payable-other	10,700	9,590	78,358
Accrued expenses	15,821	13,924	113,770
Income taxes payable	11,136	10,011	81,801
Advances received on uncompleted construction contracts	13,200	7,582	61,951
Provision for loss on construction contracts	1,483	2,511	20,520
Provision for warranties for completed construction	256	236	1,928
Provision for directors' bonuses	81	83	684
Other	10,466	9,072	74,124
Total current liabilities	142,235	139,095	1,136,492
NONCURRENT LIABILITIES:			
Deferred tax liabilities	5,890	5,234	42,765
Provision for retirement benefits	16,504	17,028	139,129
Other	1,140	1,027	8,394
Total noncurrent liabilities	23,534	23,289	190,289
Total liabilities	165,770	162,384	1,326,781
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 205,141,080 shares (2022)	26,411	26,411	215,797
Capital surplus	29,657	29,657	242,317
Retained earnings	357,421	375,765	3,070,228
Treasury stock	(307)	(310)	(2,539)
Total shareholders' equity	413,182	431,523	3,525,804
VALUATION AND TRANSLATION ADJUSTMENTS:			
Valuation difference on available-for-sale securities	41,840	39,914	326,129
Total valuation and translation adjustments	41,840	39,914	326,129
Total net assets	455,023	471,438	3,851,933
Total liabilities and net assets	¥620,793	¥633,822	$5,178,714

Board of Directors and Audit & Supervisory Board Members

As of June 24, 2022

Chairman:	Masao Ikoma
Vice Chairman:	Yukikazu Maeda
President:	Takao Uesaka
Vice President:	Hidehiko Yukawa
Directors:	Masaya Amisaki *1
	Hiroyuki Hayashi *1
	Hideo Tanaka *2
	Hiroshi Nishimura *2
	Moriyoshi Sato *2
	Harunori Yoshida *3*5
	Hanroku Toriyama *3*5
	Keiji Takamatsu *3*5
	Keizo Morikawa *3*5
	Kazunobu Sagara *3*5
Audit & Supervisory Board Members:	Masataka Mizumoto
	Nobuhiro Sakata
	Masami Yoshioka *4*5
	Toshimitsu Kamakura *4*5
	Isamu Osa *4*5

*1 Senior Executive Officer
*2 Managing Executive Officer
*3 Outside Director
*4 Outside Audit & Supervisory Board Member
*5 Independent Officer

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, 2022)
Construction business license:	Construction License of the Ministry of Land, Infrastructure, Transport and Tourism Special Construction License (3), No.114 (15 business categories)
Employees:	8,185 (As of March 31, 2022)
URL:	https://www.kinden.co.jp/english/
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, plant 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, plumbing 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, medical gas supply systems, cogeneration 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, land development, road construction, distribution undergrounding and paving
Other	Painting, mechanical installation, landscaping and steel structures

Network

As of July 31, 2022

OVERSEAS OFFICES

Singapore Office

Guam Office

Yangon Office (Myanmar)

Saipan Office

Dubai Office (United Arab Emirates)

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.

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

Antelec Private Ltd.
No.209 to 214, B Wing, 215 Atrium, Chakala, Andheri Kurla Road, Andheri East, Mumbai Maharashtra 400059, India

International Electro-Mechanical Services Co. (L.L.C.)
OFFICE 407, 4th Floor, OUD Metha Building, Sheikh Rashid Road, Dubai HEALTHCARE CITY - DUBAI - U.A.E

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

International Division

Tokyo Metropolitan Business Promotion Division

Kita-Kanto Branch Office
Sub-branch Offices: Gunma, Utsunomiya, Niigata, Nagaoka

Higashi-Kanto Branch Office
Sub-branch Offices: Ichihara, Kashima, Ibaraki, Tsukuba

Tokyo Branch Office
Sub-branch Office: Kofu, Marunouchi

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: Ritto, Otsu, Takashima, Hikone, Youkaichi

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

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

Electric Power Branch Office
Sub-branch Offices: Nagoya, Wakasa

Osaka Branch Office

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

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

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

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

Chugoku Branch Office
Sub-branch Offices: 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.

FEN Co., Ltd

Kinden Tokyo Services Company, Incorporated

Kinden Chubu Services Company, Incorporated

Kinden Kansai Services Company, Incorporated

Kinden Nishinihon Services Company, Incorporated

Daito Denki Kouji Co., Ltd.

Kinden Services Company, Incorporated

KINDENSPINET CORPORATION

Shirama Wind Farm Co., Ltd.

Shiratakiyama Wind Farm Co., Ltd.

Nishihara Construction 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
https://www.kinden.co.jp/english/

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