



**ANNUAL
REPORT**
2023
KINDEN CORPORATION

PROFILE

Since our establishment in 1944 to undertake the 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.

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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.

Business Results in the Year Ended March 2023

Both Net Sales and Profits Increase from the Previous Year

During the fiscal year ended March 31, 2023, corporate earnings also showed signs of a modest rebound as socio-economic activities began recovering amid the COVID-19 pandemic. Nonetheless, the outlook for the Japanese economy remained uncertain owing to the impact of soaring prices and exchange rate fluctuations arising from an unstable international situation. In the construction industry as well, despite signs of a pickup in corporate capital investment, conditions also remain harsh, reflecting such factors as intensifying competition and soaring materials prices.

In these circumstances, Kinden, which primarily undertakes construction and maintenance work for infrastructure-related equipment such as electrical equipment, worked in unison as a group and promoted its business activities by further demonstrating its creativity and originality.

As a result, Kinden achieved year-on-year increases in both net sales and profits, as consolidated net sales increased 7.5% from the previous year to ¥609,132 million, operating income increased 0.9%, to ¥37,430 million, and profit attributable to owners of parent increased 8.9% year on year, to ¥28,722 million. This enabled Kinden to achieve results exceeding its full-year consolidated earnings forecasts.

On a non-consolidated basis, net sales increased 6.2%, to ¥524,233 million, operating income declined 7.8%, to ¥32,410 million, and profit increased 7.2%, to ¥27,672 million. Looking at net sales of completed construction contracts by customers, The Kansai Electric Power Company, Kansai Electric Power Group companies and other general customers accounted for 15.0%, 3.5% and 81.5% of these

sales, respectively.

Looking at net sales of completed construction contracts by the construction sector, sales in the Power Distribution Lining business increased 5.9%, to ¥70,375 million, due to an increase in construction work for Kansai Transmission and Distribution, Inc. Sales in the Electrical business increased 6.7%, to ¥329,873 million, due to an increase in commercial and entertainment facilities and production factories. Sales in the Information & Communications Network business decreased 5.6%, to ¥53,003 million, due to a decrease in instrumentation work and FTTH (Fiber To The Home)-related work. Sales in the Environmental Management Facilities business increased 25.5%, to ¥45,344 million due to an increase in commercial and entertainment facilities. Sales in the Electric Power & Others business decreased 0.1% year on year, to ¥25,636 million, due to a decrease in overhead power transmission work despite an increase in the installation of underground power lines and power generation/substation work.

Profit attributable to owners of parent per common share increased ¥11.50 year on year on a consolidated basis to ¥140.15. On a non-consolidated basis, profit per common share increased ¥9.03, to ¥135.03.



Return to Shareholders and Dividend Policy

Increased dividends by ¥3.00 and paid a full-year dividend of ¥40.00 per common share

Kinden will actively expand the foundation of its 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 in the future as well. 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 ¥18.50 per share in line with the initial forecast. We paid a year-end dividend of ¥21.50 per share for the fiscal year, an increase of ¥3 per share from the initial forecast of ¥18.50 per share. As a result, we paid an annual dividend of ¥40.00 per share for the fiscal year.

We plan to pay an annual dividend of ¥40 per share for the fiscal year ending March 31, 2024. This will include an interim dividend of ¥20 per share and a year-end dividend of ¥20 per share.

Strategy for enhancing value on a medium-term basis

This Year Is the Final Fiscal Year of the “Time for Building up Our Strengths for Taking a Leap Forward”

The Kinden Group is implementing its Medium-term Management Plan “Sustainable Growth 2026~Human Resources, Heart, and Toward the Future~” with the aim of realizing its Fiscal 2026 Growth Vision “management that generates consolidated sales on a scale of ¥700,000 million.” This fiscal year marks the final year of the plan’s first three years, which we positioned as a “time for building up our strengths for taking a leap forward.” To solidify our business foundation, we are implementing each strategy on a Group-wide basis.

Specifically, our Business Strategy focuses on promoting initiatives to further develop businesses in the Greater Tokyo area and deepen community-based business, which includes enhancing and strengthening our business foundation. At the same time, we will work to further elevate our engineering capabilities and improve productivity such as by promoting DX (digital transformation). Moreover, we are taking on challenges in new fields such as expanding renewable energy construction by utilizing new technologies alongside our technologies cultivated to the present.

Turning to our Environmental Strategy, Kinden has set its CO₂ emission reduction targets and is promoting initiatives toward realizing carbon-neutral business activities. Furthermore, Kinden is making efforts to contribute to the carbon neutrality of our customers by leveraging our technological capabilities.

Regarding our Human Resources and Workstyle Strategy, based on the belief that human resources are Kinden’s most important management resources, Kinden is promoting workstyle reforms that also involve raising productivity while establishing working environments and workplace environments for invigorating operations as well as increasing engagement and motivation.

For our Corporate Strategy, we are working to strengthen compliance and governance to earn the further trust of society.

Kinden will continue to implement these strategies to raise the Group’s corporate value and achieve sustainable growth and development.

Forecast for the fiscal year ending March 31, 2024

Deploying Our Comprehensive Strengths That Encompass Electrical Work

In the current fiscal year as well, we expect the environment for orders will trend firmly on the back of favorable demand despite concerns about the impact of rising costs, such as soaring materials and labor costs due to rising prices and the unstable international situation. Utilizing the technologies and know-how cultivated over many years as well as our abundance of sales information, we will leverage our strengths as an integrated electrical and facility engineering company that handles everything from electricity to air conditioning and hygiene, information and communications, and interior work as we push forward with our business activities.

For the fiscal year ending March 31, 2024, we forecast consolidated net sales of ¥619,000 million, an increase of 1.6%; operating income of ¥37,100 million, down 0.9%; and net income attributable to owners of parent of ¥28,500 million, a decrease of 0.8%. I would like to ask our shareholders and investors for your continued understanding and support.

June 2023



Takao Uesaka
President

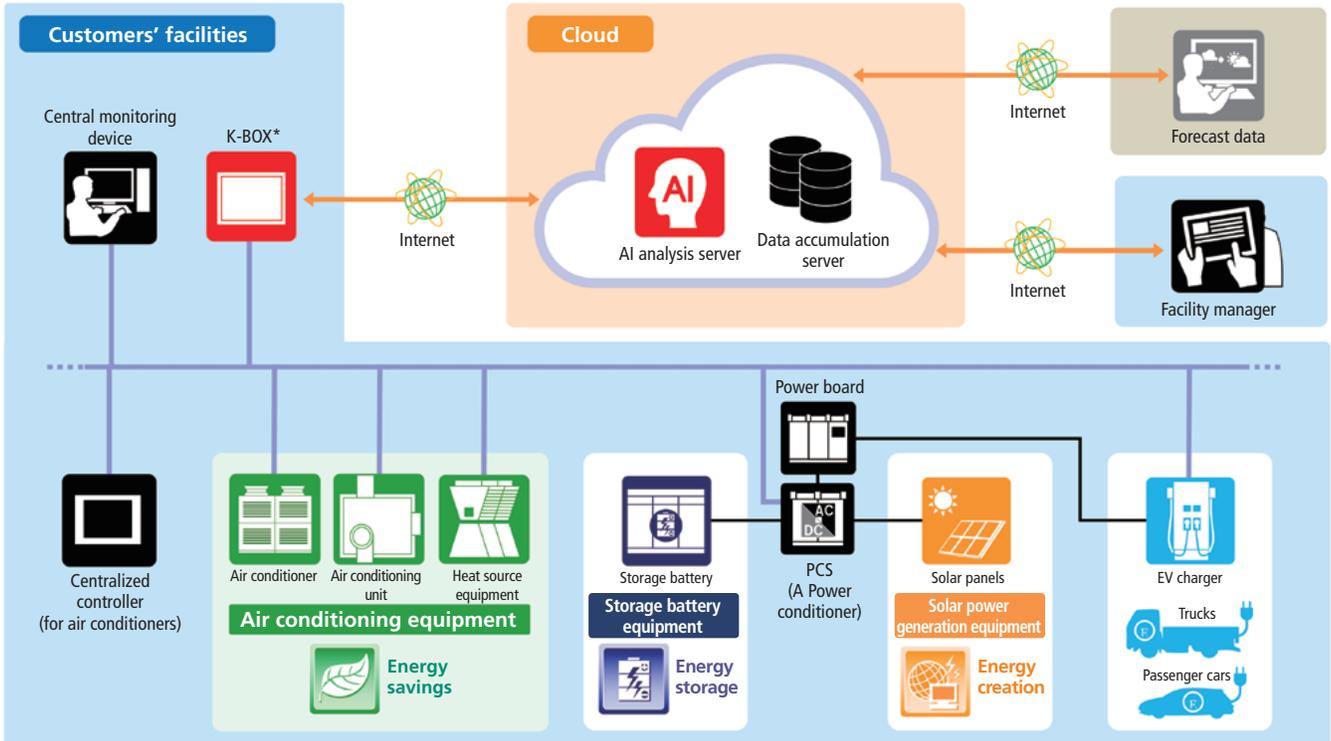
Actively Developing Energy Management Services That Utilize AI Supporting Customers' Environmental Management in a Decarbonized Society

Kinden is engaging in a variety of new businesses under Challenging New Fields in its Business Strategy, which serves as the pillar of its new Medium-term Management Plan. One of these new fields is EMS-AI, an energy management service that utilizes AI. Kinden commenced this service in July 2020. Kinden plans to take demonstration experiments in deploying EMS-AI that utilize AI for the purpose of realizing both comfort and energy savings at pavilions and other venue facilities at Green Expo, Future Society Showcase Projects co-sponsored by Kinden at Expo 2025 Osaka, Kansai, Japan.

EMS-AI is an energy management service that optimally controls the operation of air conditioning, storage battery, and solar power generation equipment by utilizing the Cloud to accumulate such measurement data as temperature and humidity and CO₂ sensor data in addition to weather forecast data. AI is then used to derive optimal parameters from this data. Kinden supports customers'

environmental management in a decarbonized society by helping them achieve energy savings and reduce CO₂ emissions at facilities. By providing this service, Kinden is able to continually connect with customers and ascertain the status customers' equipment. This allows Kinden to make even more-accurate proposals for operational improvements and equipment renewal.

EMS-AI System Configuration Example



* K-BOX (Kindenergy Box) is Kinden's independently developed key device for EMS-AI that features all-in-one computer and communications functions.

Aiming for Energy Savings and Enhanced Comfort

Kinden will undertake two demonstration experiments at Expo 2025 Osaka, Kansai, Japan, which will be held in Osaka Yumeshima from April 13 to October 13, 2025.

The first demonstration, the Facility Air Conditioning Energy Management Demonstration project, involves using EMS-AI for energy savings at the venue facilities. EMS-AI will enable energy savings by optimizing energy usage of equipment such as air conditioners, storage batteries, and EV chargers at venue facilities. Kinden aims for further energy savings by linking data with systems such as for EV operation management, entrance/exit management, and people flow management.

The second demonstration seeks to raise visitor satisfaction levels by providing information on so-called *Eekimo-chi*. It is a comfort assessment value calculated based on data obtained through AI analysis of temperatures and humidity as well as the behavior and mannerisms of visitors, and peripheral sounds at the venue, and measured respiratory rate, heart rate, blood pressure, body temperature by vital sensor. While using this assessment value to control air conditioning equipment, this demonstration will also perform mapping of *Eekimo-chi* onto a venue map to provide visitors with spatial information to give them an "Ee (good) feeling" and raise their satisfaction levels.

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. (Osaka)



Electrical

Yaesu Central Tower in Tokyo Midtown Yaesu (Tokyo)



Information & Communications Network

Rakuten Mobile 5G base stations (3.7 GHz, 28 GHz) (Tokyo)



Environmental Management Facilities

ESR Higashi Ogishima Distribution Center (Kanagawa)



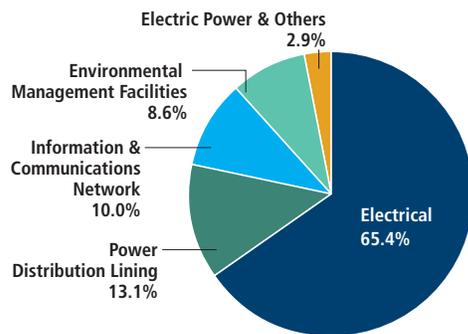
Electric Power & Others

Maruyama Trunk Line No.45~No.49 Improvement Work (Gifu)

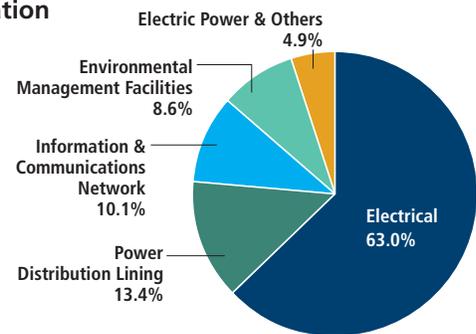
Review of Operations (Non-Consolidated)

The summary by operation is on a non-consolidated basis. Orders received in the fiscal year under review increased from the previous year in the Power Distribution Lining, Electrical and Environmental Management Facilities segments, but the year-on-year decrease in the Information & Communications Network and Electric Power & Others segments. Net sales of completed construction contracts increased from the previous fiscal year in the Power Distribution Lining, Electrical and Environmental Management Facilities segments, while they were on a par with the level of the previous fiscal year in the Electric Power & Others segment and declined in the Information & Communications Network. Looking ahead, construction demand is expected to remain solid for the foreseeable future, reflecting redevelopment projects in large cities and investments toward digitalization, next-generation technology, and decarbonization, among other factors, despite persistent concerns about the impact of rises in construction costs, including surges in materials and labor costs caused by the unstable international situation and rising prices. In this environment, Kinden will contribute to society by meeting customer needs with advanced technologies and skills that provide security, safety and comfort.

Construction Orders



Net Sales of Completed Construction Contracts by Operation



Power Distribution Lining

Orders received increased 8.0% year on year to ¥73,485 million, and net sales of completed construction contracts rose 5.9% year on year to ¥70,375 million. The 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 one of the Group's stable business platforms, and electric power companies are expected to continue to systematically implement capital investment with the aim to strengthen their power transmission and distribution networks. Moreover, in other power distribution-related works not associated with Kansai Transmission and Distribution, Inc., we are striving to win orders for the removal of roadside utility poles and lay the lines, high-voltage bulk electric power receiving works for apartment buildings, high-voltage electric power receiving works for convenience stores, and electric vehicle quick charger works. In particular, the Group is focusing on strengthening its business in the Kanto area.

Orders and Sales

Millions of yen



Electrical

Order received increased 11.6% year on year to ¥364,940 million, and net sales of completed construction contracts rose 6.7% year on year to ¥329,873 million. The main factors contributing to the increase in orders received included a rise in the number of office buildings and factories, while the increase in net sales of completed construction contracts was mainly attributable to a rise in the number of office buildings and commercial and entertainment facilities. We will continue to step up its marketing activities for data centers and logistics facilities, demand for which remains at high levels, large-scale buildings in the Tokyo Metropolitan Area where development has been underway, factories in which manufacturers are actively investing to strengthen growth areas, and other areas. 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

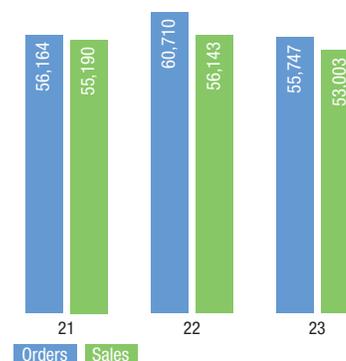


Information & Communications Network

Orders received decreased 8.2% year on year to ¥55,747 million. Net sales of completed construction contracts declined 5.6% from the previous year to ¥53,003 million. The main factors for the decrease in orders received included a decline in the amount of mobile phone-related work and CATV facility work, while the decrease in net sales of completed construction contracts was chiefly due to a fall in instrumentation work and FTTH-related work. Going forward, with nationwide work for 5G mobile phone-related facilities having reached a certain level and being replaced by 5G base station work mainly in high-demand urban areas, 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.

Orders and Sales

Millions of yen



Environmental Management Facilities

Orders received increased 8.8% year on year to ¥47,843 million, and net sales of completed construction contracts rose 25.5% year on year to ¥45,344 million. The main factors contributing to the increase in orders received included a rise in the number of education and cultural facilities, while the increase in net sales of completed construction contracts was mainly attributable to a rise in the number of commercial and entertainment 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, healthcare, educational, cultural, commercial and entertainment facilities, and factories. We will also attempt to expand orders through proactive proposals to customers related to energy-saving and business continuity planning (BCP) measures.

Orders and Sales

Millions of yen

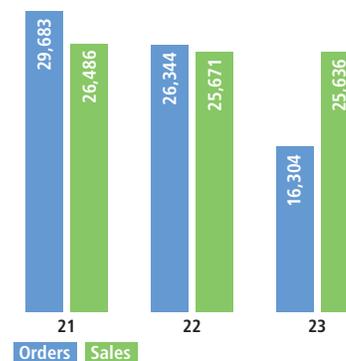


Electric Power & Others

Orders received decreased 38.1% year on year to ¥16,304 million. Net sales of completed construction contracts declined 0.1% from the previous year to ¥25,636 million. The main factors for the decrease in orders received included a decline in the amount of power stations and substations work. Net sales of completed construction contracts, although the increase in the amount of underground power transmission work and power stations and substations work, decreased slightly, mainly due to a decrease in overhead power line projects. 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 to replace aging power lines and electrical transmission tower reconstruction.

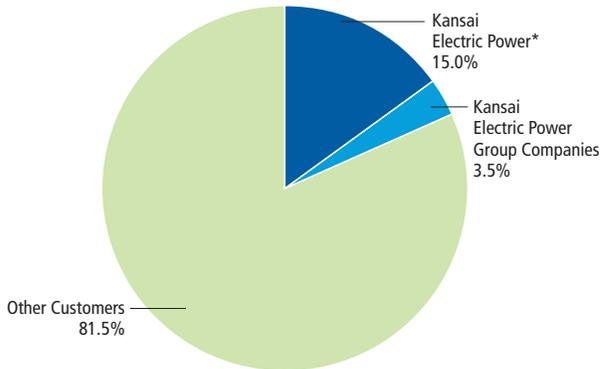
Orders and Sales

Millions of yen

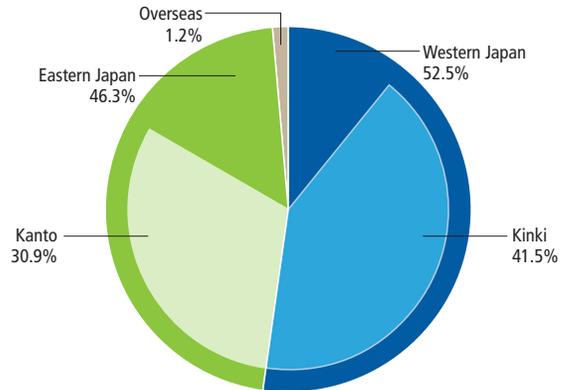


■ Composition of Non-Consolidated Net Sales, Contract Backlog by Operation and Shareholding Ratio (Fiscal 2023)

Net Sales by Customer

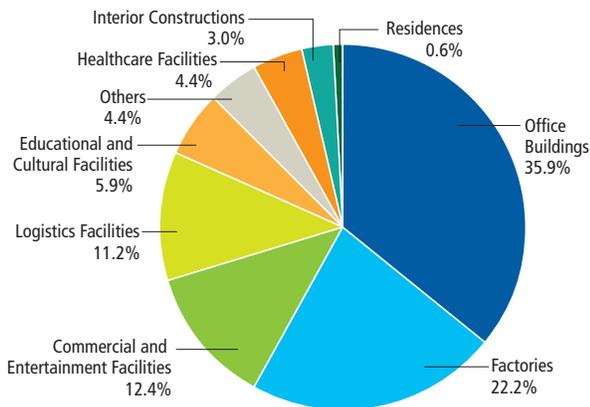


Net Sales by Region (excluding sales of Power Distribution Lining)

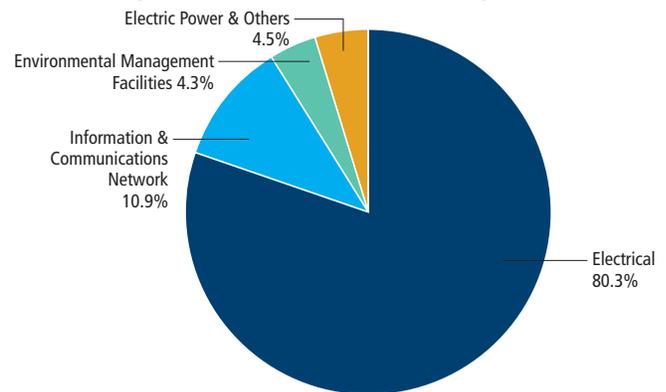


* Includes Kansai Transmission and Distribution, Inc.

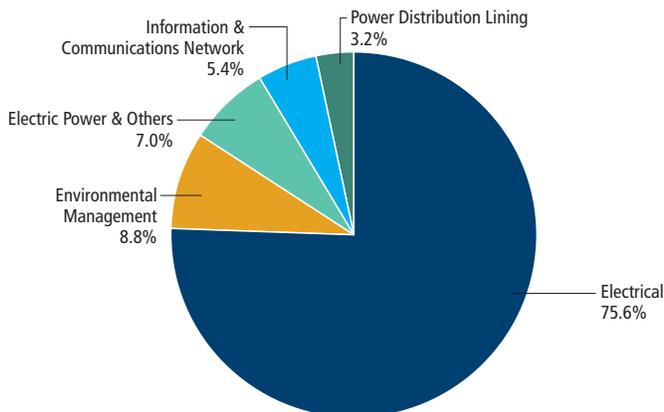
Net Sales by Facility (Electrical)



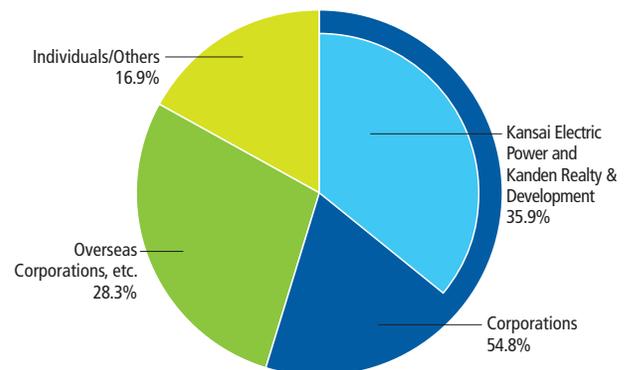
Net Sales of Renewal Construction by Operation (excluding sales of Power Distribution Lining)



Contract Backlog by Operation



Shareholding Ratio



Gold Medal Won in World Skills Competition Crowned in Newly Launched Renewable Energy Category

Shodai Yanagi, a Kinden employee, competed as a representative of Japan in the Renewable Energy category of the 46th World Skills Competition (Special Edition) in October 2022 and won a gold medal.

The 46th competition was first scheduled to take place in Shanghai, China in 2021. Due to the COVID-19 pandemic, it was postponed once and finally cancelled. In its place, Special Edition events were held separately in 15 countries and regions including Japan. The 2022 competition introduced the new Renewable Energy category. Competitors from three countries, China, India and Japan, took on four tasks relating to solar and wind power generations.

These tasks required very extensive techniques and skills and the ability to handle equipment made overseas. With the full support of Team Kinden, Yanagi developed his skills as well as his physical and mental strength. This led to his gold medal-winning success.

Kinden has been sending competitors to the World Skills Competition since 1962 to improve its staff's skills and enable international exchange. Following this achievement, Kinden has won a cumulative total of 11 gold medals and two bronze medals. Kinden will continue to compete in this tournament while passing down techniques and skills to younger generation.



Shodai Yanagi takes on the task of installing solar panels.

Kinden Constructs Japan's First Large-Scale Offshore Wind Farms Helping increase renewable energy through accumulated technology

Offshore wind power generation is positioned as one of the key solutions towards a carbon-free society, given that a large number of wind turbines can be installed in a vast sea area and that it is expected to generate and supply electric power stably without any obstacle to wind energy.

The Akita Port and Noshiro Port Offshore Wind Farms are Japan's first commercial large-scale offshore wind farms. There are 13 wind turbines in the Akita Port and 20 in the Noshiro Port. In total, they have a power generation capacity equivalent to power consumption at around 130,000 general households. These wind farms were put into commercial operation in December 2022.

In this project, Kinden gained orders for private transmission line works, electrical equipment works inside wind turbines, submarine cable terminal treatment works at sea and testing, and it carried out all these works. Covering negotiations with an overseas wind turbine manufacturer, contracts, construction and testing, it was an unprecedented deal for Kinden. While the Tohoku Branch Office played a central role, the Tokyo Head Office and all other teams at Kinden Corporation worked together closely to complete the work. Taking advantage of the new knowledge and experience obtained in this project, Kinden will offer high quality facilities and technologies in offshore wind power and other renewable energy projects for serving to realize a sustainable society.



The Akita Port and Noshiro Port Offshore Wind Farms are now in operation.

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.

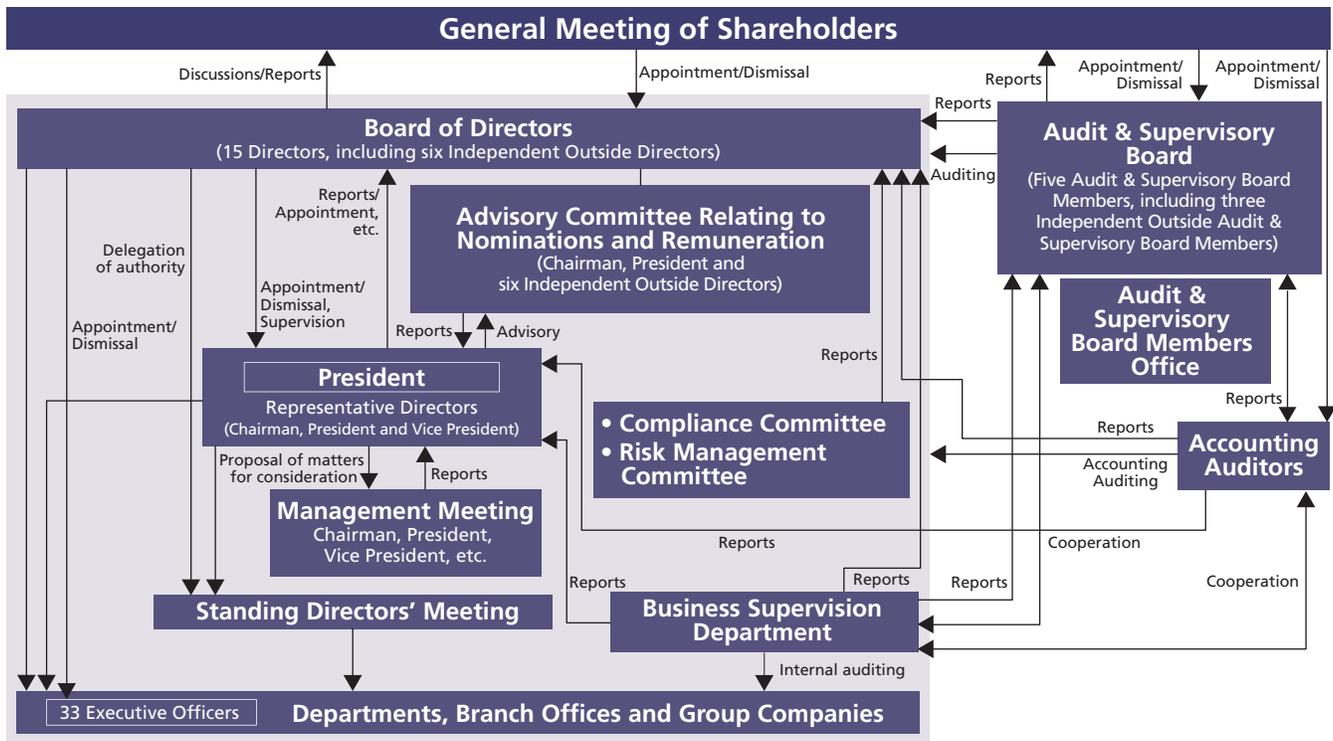
The Company has adopted an Executive Officer system, with the aim of speeding up decision making, enhancing the monitoring function over business execution and enabling the executive officers in charge of specific operations to focus on their business execution. With regard to the monitoring function, 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	Yoshihiro Doi (Chairman)
Number of Directors	15 (including Six 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	Six 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, 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, President and six 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 by the Superintendence Operations Office, a section under the direct control of the President, and they include periodic audits of business operations to assess the status of development and operation of internal control systems (appropriateness and efficiency of work processes, etc.) and audits of specific items as specially instructed. The results are reported to 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 Hanroku Toriyama, Keiji Takamatsu, Keizo Morikawa, Kazunobu Sagara, Haruko Kokue and Fumi Musashi as well as Outside Audit & Supervisory Board Members Masami Yoshioka, Toshimitsu Kamakura and Isamu Osa, 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

<p>Hanroku Toriyama</p> <p>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.</p>	<p>Keiji Takamatsu</p> <p>Mr. Keiji Takamatsu served 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 led both the company's overall management and works to improve their 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.</p>
<p>Keizo Morikawa</p> <p>Mr. Keizo Morikawa 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 both company's overall management and worked to improve their 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.</p>	<p>Kazunobu Sagara</p> <p>Although Mr. Kazunobu Sagara has not been involved in corporate management except for his past experience as an Outside Board Director, 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 been providing appropriate advice on the Company's management by leveraging 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 continue to 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.</p>
<p>Haruko Kokue</p> <p>Ms. Haruko Kokue has led domestic and overseas sales operations, supply chain management, CSR, public and investor relations and the overseas business of Mitsui Chemicals, Inc. As she has extensive professional experience and a wide range of knowledge and insight in these fields, we have deemed that she is a person suitable to be an Outside Director and we have selected her as a Director. We expect she will appropriately advise the Company on its management from an independent and objective standpoint based on her extensive professional experience and a wide range of knowledge and insight in the management, supervision, etc. of corporate governance.</p>	<p>Fumi Musashi</p> <p>Ms. Fumi Musashi has engaged in the overseas business of Chori Co., Ltd. over a long period of time and became Chairman and President of Chori (China) Co., Ltd. in 2018, a subsidiary of Chori Co., Ltd. As she has extensive professional experience in overseas business and a wide range of knowledge and insight in global corporate management, we have deemed that she is a person suitable to be an Outside Director and we have selected her as a Director. We expect she will appropriately advise the Company on its management from an independent and objective standpoint based on her extensive professional experience in overseas business and a wide range of knowledge and insight into global corporate management.</p>

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	Non-monetary remuneration, etc.	
Directors (Excluding Outside Directors)	540	424	73	41	9
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	69	69	—	—	2
Outside Directors and Outside Audit & Supervisory Board Members	51	51	—	—	8

Remuneration for Audit Services

Remuneration paid to PKF Hibiki Audit Corporation in the 109th fiscal term (the fiscal year ended March 31, 2023) for audit and attestation services totaled ¥50 million, and remuneration based on the non-audit services totaled ¥2 million. In addition, remuneration paid to the organization that belongs to the same network of PKF Hibiki Audit Corporation for audit and attestation services at a consolidated subsidiary totaled ¥2 million and remuneration based on the non-audit services totaled ¥1 million.

Five-Year Financial Summary

For the fiscal years ended March 31

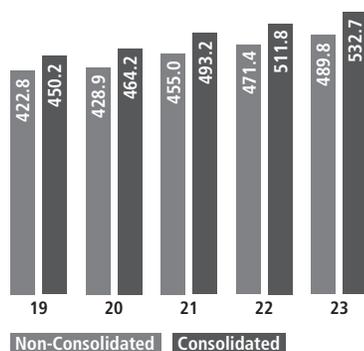
	Consolidated					Non-Consolidated				
	Millions of yen					Millions of yen				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
FOR THE YEAR										
Net sales	¥521,283	¥585,905	¥556,273	¥566,794	¥609,132	¥456,762	¥516,196	¥486,705	¥493,724	524,233
Power distribution lining.....						59,355	62,993	63,261	66,480	70,375
Electrical						301,741	341,680	306,546	309,292	329,873
Information & communications network						42,529	50,399	55,190	56,143	53,003
Environmental management facilities						30,036	34,551	35,220	36,136	45,344
Electric power & others.....						23,099	26,570	26,486	25,671	25,636
Operating income	40,354	45,026	42,948	37,087	37,430	33,520	37,701	37,496	35,136	32,410
Profit attributable to owners of parent	28,844	32,500	32,356	26,366	28,722					
Profit.....						26,250	30,576	31,065	25,824	27,672
Comprehensive income.....	24,107	29,457	46,927	26,117	29,083					
Capital investment*1	3,781	6,592	4,417	5,935	29,480					
Depreciation and amortization.....	5,322	5,415	6,161	6,684	6,804					
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	450,265	464,235	493,209	511,843	532,713	422,856	428,929	455,023	471,438	489,839
Total assets	634,064	654,279	683,022	700,259	742,841	579,499	592,198	620,793	633,822	669,708
Number of shares outstanding (excluding treasury stock) (Thousands)										
Balance at end of year	216,951	211,438	204,946	204,944	204,675	216,951	211,438	204,946	204,944	204,675
Number of employees (Persons)*2 ...	10,867	12,984	12,935	12,892	12,704	7,521	7,645	7,801	7,995	8,136
Equity ratio (%).....	70.8	70.8	72.0	73.0	71.6	73.0	72.4	73.3	74.4	73.1
Return on equity (ROE) (%).....	6.5	7.1	6.8	5.3	5.5	6.3	7.2	7.0	5.6	5.8
Payout ratio (%).....	22.6	21.3	22.4	28.8	28.5	24.8	22.6	23.3	29.4	29.6
Price-earnings ratio (Times).....	13.79	10.62	12.05	12.27	11.38	15.16	11.29	12.55	12.52	11.81

*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

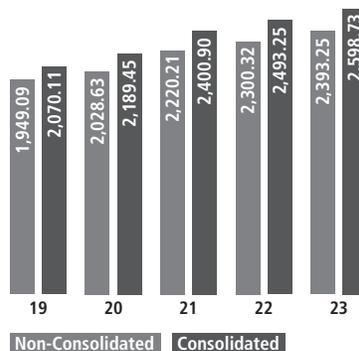
Total Net Assets

Billions of yen



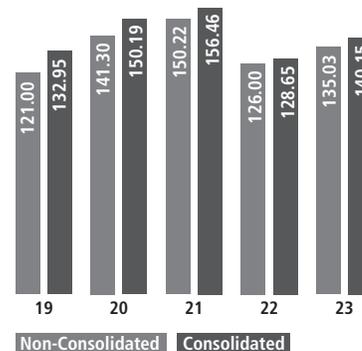
Net Assets per Common Share

Yen



Profit per Common Share

Yen



RESULTS OF OPERATIONS

The Kinden Group recorded a ¥42,337 million, or 7.5%, increase in net sales of completed construction contracts from the previous fiscal year to ¥609,132 million (US\$4,561,763 thousand).

Completed construction contracts increased due to a large volume of construction work on hand at the beginning of the fiscal year as well as to strong orders, while Kinden's domestic and overseas subsidiaries also posted increases.

Gross profit on completed construction contracts increased ¥1,877 million, or 1.9%, from the previous fiscal year to ¥99,025 million (US\$741,598 thousand). This increase was due to a rise in completed construction contracts despite a decline in profit margin on completed construction contracts.

Selling, general and administrative (SG&A) expenses increased ¥1,535 million, or 2.6%, from the previous fiscal year to ¥61,595 million (US\$461,283 thousand).

Operating income increased ¥342 million, or 0.9%, to ¥37,430 million (US\$280,314 thousand).

Ordinary income increased ¥266 million, or 0.7%, to ¥40,243 million (US\$301,385 thousand).

Profit attributable to owners of parent increased ¥2,356 million, or 8.9%, to ¥28,722 million (US\$215,104 thousand).

Net sales of completed construction contracts and profits in each category increased from the previous fiscal year.

FINANCIAL POSITION

Assets

Current assets at March 31, 2023 amounted to ¥477,557 million, up ¥34,727 million, or 7.8%, from March 31, 2022. The rise was due primarily to an increase in notes receivable, accounts receivable from completed construction contracts and other.

Noncurrent assets increased ¥7,854 million, or 3.1%, from the end of the previous fiscal year, to ¥265,284 million. Property, plant and equipment increased ¥24,279 million, to ¥123,843 million. This was due primarily to an increase in construction in progress. Intangible assets decreased ¥331 million to ¥7,814 million. Investments and other assets decreased ¥16,093 million, to ¥133,627 million. This was due mainly to a decrease in investment securities and long-term deposits.

As a result, total assets amounted to ¥742,841 million (US\$5,563,108 thousand) at the end of the fiscal year, up ¥42,582 million, or 6.1%, from the end of the previous fiscal year.

Liabilities

Current liabilities increased ¥22,145 million, or 13.9%, from the end of the previous fiscal year to ¥181,806 million. This increase was due mainly to a rise in notes payable, accounts payable for construction contracts and other and advances received on uncompleted construction contracts.

Noncurrent liabilities decreased ¥434 million, or 1.5%, to ¥28,321 million.

Consequently, total liabilities came to ¥210,127 million (US\$1,573,638 thousand), an increase of ¥21,711 million, or 11.5%, from the end of the previous fiscal year.

Net Assets

Shareholders' equity rose ¥20,511 million, to ¥488,431 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 ¥407 million to ¥43,465 million due to a decrease in valuation difference on available-for-sale securities and an increase in foreign currency translation adjustment.

Additionally, non-controlling interests amounted to ¥816 million.

As a result, total net assets amounted to ¥532,713 million (US\$3,989,469 thousand), an increase of ¥20,870 million, or 4.1%, from the end of the previous fiscal year. The equity ratio stood at 71.6%, a decrease of 1.4 percentage points 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 ¥30,153 million (US\$225,818 thousand), compared with ¥32,952 million in the previous fiscal year. This was due to profit before income taxes, despite income taxes paid.

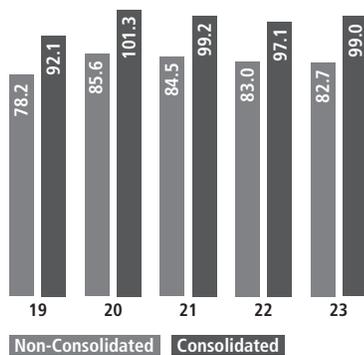
Net cash used in investing activities came to ¥27,393 million (US\$205,149 thousand), compared with ¥9,977 million used in the previous fiscal year. This was due to the purchase of property, plant and equipment.

Net cash used in financing activities was ¥9,340 million (US\$69,951 thousand), compared with ¥8,254 million used in the previous fiscal year, mainly owing to cash dividends paid.

As a result, cash and cash equivalents stood at ¥179,477 million (US\$1,344,096 thousand), a decrease of ¥5,024 million from the end of the previous fiscal year, compared with an increase of ¥15,355 million in the previous fiscal year.

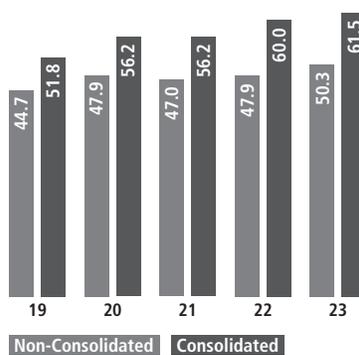
Gross Profit on Completed Construction Contracts

Billions of yen



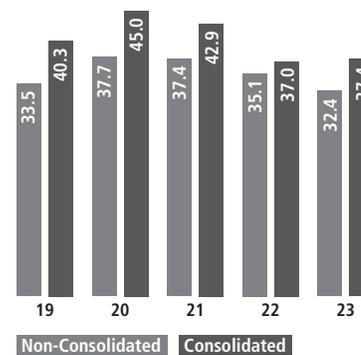
Selling, General and Administrative Expenses

Billions of yen



Operating Income

Billions of yen



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.

COVID-19 has been reclassified under Japan's Infectious Disease Control Law and socioeconomic activities are also moving toward a recovery. However, in the event of a resurgence in the future, trends in the construction market and other factors may lead to a negative impact on the Group's results and financial position.

Leakage of Confidential Information

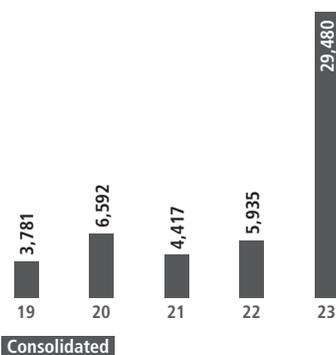
The Kinden Group possesses confidential information such as customer information and personal information through its business activities. The Group appropriately manages each category of information in accordance with laws and regulations and is also building a system and raising employee awareness for assuring information security. However, any leak of confidential information due to cyberattacks from outside the Company and other factors may adversely affect the Group's business results and financial position due to a decline in social trust and compensation for damages.

Climate Change

Recognizing that responding to climate change and other environmental issues is one of its most important management issues, Kinden expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in May 2022. At the same time, Kinden has identified risks related to climate change in its information disclosure based on the TCFD framework. However, in the event these risks materialize, this may lead to a negative impact on Kinden Group's business results and financial position.

Capital Investment

Millions of yen



Consolidated Balance Sheets

KINDEN CORPORATION AND SUBSIDIARIES
March 31, 2022 and 2023

ASSETS	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
CURRENT ASSETS:			
Cash and deposits.....	¥ 46,289	¥ 45,361	\$ 339,711
Notes receivable, accounts receivable from completed construction contracts and other.....	208,300	232,930	1,744,409
Short-term investment securities.....	152,603	152,702	1,143,582
Costs on uncompleted construction contracts.....	19,864	19,030	142,520
Raw materials and supplies.....	1,968	2,366	17,722
Deposits paid.....	10,000	20,000	149,779
Other.....	6,081	7,716	57,785
Allowance for doubtful accounts.....	(2,280)	(2,551)	(19,105)
Total current assets.....	442,829	477,557	3,576,405
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings and structures.....	97,797	99,966	748,644
Machinery, equipment and vehicles.....	41,649	42,929	321,497
Tools, furniture and fixtures.....	12,091	12,366	92,610
Land.....	58,667	59,421	445,005
Construction in progress.....	1,387	24,348	182,342
Accumulated depreciation.....	(112,029)	(115,189)	(862,645)
Total property, plant and equipment.....	99,563	123,843	927,455
INTANGIBLE ASSETS.....	8,145	7,814	58,519
INVESTMENTS AND OTHER ASSETS:			
Investment securities.....	126,744	122,189	915,070
Long-term deposits.....	10,000	—	—
Net defined benefit asset.....	7,271	6,527	48,887
Deferred tax assets.....	1,083	994	7,450
Other.....	5,463	4,775	35,765
Allowance for doubtful accounts.....	(841)	(860)	(6,444)
Total investments and other assets.....	149,721	133,627	1,000,728
Total noncurrent assets.....	257,430	265,284	1,986,703
Total assets.....	¥700,259	¥ 742,841	\$5,563,108

See the accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
CURRENT LIABILITIES:			
Notes payable, accounts payable for construction contracts and other ...	¥ 82,512	¥ 91,327	\$ 683,949
Short-term loans payable	15,988	15,070	112,858
Income taxes payable.....	11,253	12,276	91,940
Advances received on uncompleted construction contracts	11,008	20,957	156,951
Provision for loss on construction contracts	2,511	2,456	18,394
Provision for warranties for completed construction	484	602	4,509
Provision for directors' bonuses	192	190	1,427
Other.....	35,708	38,925	291,512
Total current liabilities	159,661	181,806	1,361,544
NONCURRENT LIABILITIES:			
Long-term loans payable.....	52	25	193
Deferred tax liabilities	6,990	6,202	46,453
Provision for directors' retirement benefits	232	165	1,241
Net defined benefit liability.....	21,242	21,648	162,125
Other.....	237	277	2,081
Total noncurrent liabilities	28,755	28,321	212,094
Total liabilities	188,416	210,127	1,573,638
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 205,141,080 shares (2023)	26,411	26,411	197,794
Capital surplus	29,147	29,147	218,287
Retained earnings	412,671	433,604	3,247,242
Treasury stock	(310)	(731)	(5,481)
Total shareholders' equity	467,920	488,431	3,657,843
ACCUMULATED OTHER COMPREHENSIVE INCOME:			
Valuation difference on available-for-sale securities.....	40,851	39,827	298,262
Deferred gains or losses on hedges	—	(8)	(66)
Foreign currency translation adjustment	(134)	2,179	16,320
Remeasurements of defined benefit plans	2,340	1,468	10,994
Total accumulated other comprehensive income	43,057	43,465	325,511
NON-CONTROLLING INTERESTS	864	816	6,115
Total net assets	511,843	532,713	3,989,469
Total liabilities and net assets	¥700,259	¥742,841	\$5,563,108

Consolidated Statements of Comprehensive Income

KINDEN CORPORATION AND SUBSIDIARIES

For the fiscal years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Profit	¥26,065	¥28,600	\$214,191
Other comprehensive income:			
Valuation difference on available-for-sale securities	(2,062)	(1,024)	(7,675)
Deferred gains or losses on hedges	—	(8)	(66)
Foreign currency translation adjustment	1,230	2,388	17,890
Remeasurements of defined benefit plans, net of tax	884	(872)	(6,533)
Other comprehensive income	52	482	3,615
Comprehensive income	26,117	29,083	217,806
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	¥26,405	¥29,130	\$218,156
Comprehensive income attributable to non-controlling interests	(288)	(46)	(350)

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, 2022 and 2023

	Thousands					Millions of yen					
	Shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Non-controlling interests	Total net assets
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
Net changes of items other than shareholders' equity.....						(2,062)		1,217	884	(287)	(248)
Balance at April 1, 2022	205,141	¥26,411	¥29,147	¥412,671	¥(310)	¥40,851	¥—	¥ (134)	¥2,340	¥ 864	¥511,843
Cash dividends.....				(7,788)							(7,788)
Profit attributable to owners of parent.....				28,722							28,722
Purchase of treasury stock.....					(464)						(464)
Disposal of treasury stock.....			(0)	(1)	43						41
Net changes of items other than shareholders' equity.....						(1,024)	(8)	2,313	(872)	(48)	359
Balance at March 31, 2023	205,141	¥26,411	¥29,147	¥433,604	¥(731)	¥39,827	¥ (8)	¥ 2,179	¥1,468	¥ 816	¥532,713

	Thousands					Thousands of U.S. dollars					
	Shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Non-controlling interests	Total net assets
Balance at April 1, 2022	205,141	\$197,794	\$218,287	\$3,090,479	\$(2,328)	\$305,938	\$ —	\$ (1,007)	\$17,527	\$6,477	\$3,833,169
Cash dividends.....				(58,326)							(58,326)
Profit attributable to owners of parent.....				215,104							215,104
Purchase of treasury stock.....					(3,479)						(3,479)
Disposal of treasury stock.....			(0)	(14)	326						311
Net changes of items other than shareholders' equity.....						(7,675)	(66)	17,327	(6,533)	(361)	2,691
Balance at March 31, 2023	205,141	\$197,794	\$218,287	\$3,247,242	\$(5,481)	\$298,262	\$(66)	\$16,320	\$10,994	\$6,115	\$3,989,469

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income taxes.....	¥ 39,444	¥ 42,709	\$ 319,849
Adjustments for:			
Depreciation.....	6,684	6,804	50,961
Impairment losses	1,584	137	1,027
Increase (decrease) in allowance for doubtful accounts	1,251	193	1,452
Increase (decrease) in provision for loss on construction contracts.....	1,027	(55)	(414)
Increase (decrease) in net defined benefit liability	970	349	2,617
Decrease (increase) in net defined benefit asset	(495)	(572)	(4,287)
Interest and dividends income	(2,068)	(2,273)	(17,027)
Interest expenses.....	158	162	1,214
Loss (gain) on sale of investment securities	(1,121)	(2,814)	(21,074)
Loss (gain) on sales and retirement of non-current assets	71	206	1,549
Decrease (increase) in notes and accounts receivable-trade.....	2,009	(23,023)	(172,425)
Decrease (increase) in costs on uncompleted construction contracts.....	(1,438)	956	7,165
Increase (decrease) in notes and accounts payable-trade	7,562	8,533	63,908
Increase (decrease) in advances received on uncompleted construction contracts.....	(6,067)	9,713	72,741
Other.....	(4,743)	128	959
Sub-total.....	44,829	41,156	308,218
Interest and dividends income received.....	2,129	2,308	17,289
Interest expenses paid.....	(158)	(162)	(1,214)
Income taxes paid.....	(13,847)	(13,149)	(98,474)
Net cash provided by (used in) operating activities	32,952	30,153	225,818
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments into time deposits.....	(9,427)	(9,239)	(69,195)
Proceeds from withdrawal of time deposits.....	10,123	9,265	69,385
Payments of deposit.....	(20,000)	(10,000)	(74,889)
Proceeds from withdrawal deposit	20,000	10,000	74,889
Purchase of short-term and long-term investment securities.....	(9,415)	(20,478)	(153,361)
Proceeds from sale and redemption of short-term and long-term investment securities....	9,480	22,401	167,763
Purchase of property, plant and equipment.....	(5,425)	(28,710)	(215,008)
Proceeds from sales of property, plant and equipment.....	141	113	851
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,550)	—	—
Other	(904)	(745)	(5,585)
Net cash provided by (used in) investing activities	(9,977)	(27,393)	(205,149)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term loans payable	(653)	(918)	(6,880)
Proceeds from share issuance to non-controlling shareholders	0	—	—
Purchase of treasury stock	(4)	(464)	(3,482)
Cash dividends paid.....	(7,480)	(7,788)	(58,326)
Dividends paid to non-controlling interests	(0)	(1)	(10)
Other	(116)	(167)	(1,251)
Net cash provided by (used in) financing activities	(8,254)	(9,340)	(69,951)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	634	1,556	11,657
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	15,355	(5,024)	(37,625)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD.....	169,146	184,501	1,381,722
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD.....	¥184,501	¥179,477	\$1,344,096

See the accompanying 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 ¥133.53 to US\$1, the fixed-market rate on March 31, 2023. 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.52-53 of the Annual Report.

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 affiliates not accounted for by the equity method
Sanyu Co., Ltd. and three other companies

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., Kinden (Thailand) Co., Ltd. and International Electro-Mechanical Services Co. (L.L.C.) is December 31. The financial statements as of the account closing date are used in the preparation of the consolidated financial statements. The necessary adjustments are made to the consolidated financial statements for significant transactions that occur during the period from January 1 to March 31.

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

5. Summary of Significant Accounting Policies

(1) Standards and Methods for Valuing Assets

Securities

1) Held-to-maturity debt securities

Amortized cost method (Straight-line method)

2) Available-for-sale securities

Securities 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, 2022	For the fiscal year ended March 31, 2023
Net sales of completed construction contracts based on a method that recognizes revenue over a certain period of time	¥327,905 million	¥370,955 million \$2,778,066 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, 2022	For the fiscal year ended March 31, 2023
Provision for loss on construction contracts	¥2,511 million	¥2,456 million \$18,394 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, 2022	For the fiscal year ended March 31, 2023
Goodwill	¥2,776 million	¥2,475 million \$18,542 thousand
Customer-related Assets	¥1,985 million	¥1,771 million \$13,264 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, 2022	For the fiscal year ended March 31, 2023
Net defined benefit liability	¥21,242 million	¥21,648 million \$162,125 thousand
Net defined benefit asset	¥7,271 million	¥6,527 million \$48,887 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 OF THE PRESENTATION METHOD (Consolidated statements of income)

Because there was no "Subsidy income," which was presented as a separate item under "Non-operating income" in the previous consolidated fiscal year, this is now included in "Other" under "non-operating income" 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, "Subsidy income" of ¥524 million and "Other" of ¥709 million presented under "Non-operating income" in the Consolidated Statements of Income for the previous consolidated fiscal year are reclassified as "Other" of ¥1,233 million under "Non-operating income."

"Condolence money," which was included in "Other" under "Non-operating expenses" in the previous consolidated fiscal year, is now recorded as a separate item in the current consolidated fiscal year because this exceeded 10% of total "Non-operating expenses." Because there was no "Loss on valuation of inventories," which was presented as a separate item under "Non-operating expenses" in the previous consolidated fiscal year, this is included in "Other" under "Non-operating expenses" 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, "Loss on valuation of inventories" of ¥100 million and "Other" of ¥430 million presented under "Non-operating expenses" in the Consolidated Statements of Income for the previous consolidated fiscal year are reclassified as "Condolence money" of ¥56 million and "Other" of ¥473 million under "Non-operating expenses."

"Loss on retirement of fixed assets" included in "Other" under "Extraordinary loss" in the previous consolidated fiscal year is now

recorded as a separate item in the current consolidated fiscal year because this exceeded 10% of total extraordinary loss. 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 ¥118 million presented under "Extraordinary loss" in the previous consolidated fiscal year is reclassified as "Loss on retirement of fixed assets" of ¥87 million and "Other" of ¥31 million under "Extraordinary loss."

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 to be minor. In the current consolidated fiscal year, the impact of COVID-19 on the Group's business results was minor. The future state of COVID-19 and accompanying 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.

ACCOUNTING STANDARDS NOT YET ADOPTED

"Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan)

"Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25 October 28, 2022, Accounting Standards Board of Japan)

"Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan)

(1) Summary

In February 2018, Partial Amendments to Accounting Standard for Tax Effect Accounting ("ASBJ Statement No. 28") was announced and the transfer of the Practical Guidelines for Tax Effect Accounting from the Japanese Institute of Certified Public Accountants to the Accounting Standards Board of Japan was completed. However, during the deliberation process the following two issues, which were scheduled to be reviewed again after the publication of ASBJ Statement No. 28, were deliberated and announced.

- Classification of tax expenses (tax on other comprehensive income)
- Tax effect pertaining to the sale of subsidiary shares, etc. (subsidiary shares or affiliated company shares)

(2) Scheduled date of application

Shall be applied from the beginning of the fiscal year ending March 31, 2025.

(3) Impact of application of relevant accounting standards, etc.

We are currently evaluating the impact of the application of the Accounting Standard for Current Income Taxes on the consolidated financial statements.

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	2023	2023
Notes receivable.....	¥ 22,883	¥ 30,126	\$225,618
Accounts receivable from completed construction contracts ..	115,164	125,248	937,977
Contract assets	70,252	77,556	580,813

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	2023	2023
Contract liabilities	¥11,008	¥20,957	\$156,951

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
	2022	2023	2023
Investment securities-equity	¥2,464	¥2,479	\$18,571

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
	2022	2023	2023
Investment securities-equity	¥11	¥11	\$82
Investments and other assets-long-term loans receivable	6	5	41

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
	2022	2023	2023
BAN-BAN Networks Co., Ltd.	¥21	¥21	\$157

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
	2022	2023	2023
Buildings and structures, machinery and vehicles	¥5,151	¥5,151	\$38,577

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
	2022	2023	2023
Total amount of commitment line contracts.....	¥50,000	¥50,000	\$374,447
Executed loan balance	10,500	10,500	78,634
Differential amount.....	39,500	39,500	295,813

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
	2022	2023	2023
	¥25	¥21	\$164

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
	2022	2023	2023
	¥1,626	¥1,174	\$8,796

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
	2022	2023	2023
Employees' salaries	¥27,657	¥28,297	\$211,917
Retirement benefit expenses	1,580	1,580	11,838
Provision of allowance for doubtful accounts.....	1,288	181	1,360

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
	2022	2023	2023
	¥651	¥671	\$5,027

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
	2022	2023	2023
Gain on sale of noncurrent assets ...	¥17	¥63	\$476
Gain on sale of memberships	31	19	143

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
	2022	2023	2023
Buildings and structures	¥—	¥ 1	\$ 8
Machinery and vehicles	8	13	99
Tools, furniture and fixtures	0	1	7
Land	9	48	361
Total	¥17	¥63	\$476

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
	2022	2023	2023
Loss on sales of noncurrent assets	¥ 1	¥10	\$ 79
Loss on sales of investment securities	0	—	—
Loss on valuation of investment securities	18	15	116
Loss on sales of memberships	8	2	18
Loss on valuation of memberships	2	5	40
Loss on liquidation of subsidiaries	1	—	—

9. The breakdown of loss on sales 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
	2022	2023	2023
Buildings and structures	¥1	¥ 4	\$33
Machinery and vehicles	0	0	0
Tools, furniture and fixtures	0	6	45
Total	¥1	¥10	\$79

10. Impairment loss

For the fiscal years ended March 31, 2022 and 2023, the Group recorded the following impairment losses for asset groups.

For the fiscal year ended March 31, 2022

Application	Location	Type	Millions of yen
Idle assets	Kinki region: 6 properties	Land	¥12
	Other: 2 property	Land	0
		Goodwill	723
—	United Arab Emirates	Customer-related assets	604
	Dubai Emirate	Backorder	242

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.

For the fiscal year ended March 31, 2023

Application	Location	Type	Millions of yen	Thousands of U.S. dollars
Idle assets	Kinki region: 4 properties	Land	¥136	\$1,025
	Other: 2 property	Land	0	2

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.

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
	2022	2023	2023
Valuation difference on available-for-sale securities			
Amount recorded during the period.....	¥(1,850)	¥609	\$ 4,563
Reclassification adjustments.....	(1,089)	(1,956)	(14,651)
Amount before tax effect adjustments.....	(2,939)	(1,347)	(10,088)
Tax effect.....	877	322	2,412
Valuation difference on available-for-sale securities..	(2,062)	(1,024)	(7,675)
Deferred gains or losses on hedges			
Amount recorded during the period.....	—	(12)	(95)
Reclassification adjustments.....	—	—	—
Amount before tax effect adjustments.....	—	(12)	(95)
Tax effect.....	—	3	29
Deferred gains or losses on hedges.....	—	(8)	(66)
Foreign currency translation adjustment			
Amount recorded during the period.....	1,230	2,388	17,890
Reclassification adjustments.....	—	—	—
Foreign currency translation adjustment.....	1,230	2,388	17,890
Remeasurements of defined benefit plans, net of tax			
Amount recorded during the period.....	781	(1,680)	(12,581)
Reclassification adjustments.....	482	451	3,377
Amount before tax effect adjustments.....	1,263	(1,229)	(9,204)
Tax effect.....	(378)	356	2,670
Remeasurements of defined benefit plans, net of tax.....	884	(872)	(6,533)
Total other comprehensive income.....	¥ 52	¥ 482	\$ 3,615

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

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	¥19.0	March 31, 2021	June 25, 2021
Board of Directors' Meeting on October 28, 2021	Common stock	¥3,586 million	¥17.5	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	Retained earnings	¥19.5	March 31, 2022	June 27, 2022

For the fiscal year ended March 31, 2023

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, 2022	Increase	Decrease	At March 31, 2023
Stock issued				
Common stock	205,141	—	—	205,141
Total	205,141	—	—	205,141
Treasury stock				
Common stock	196	296	27	465
Total	196	296	27	465

(Note) An increase of 296 thousand shares in the number of common stock treasury shares resulted from the purchases of 295 thousand shares of common treasury shares based on a resolution by the Board of Directors and the purchases of 1 thousand shares constituting shares less than one trading unit. The decrease in the number of common stock treasury shares by 27 thousand shares is due to the disposal of treasury shares under the restricted stock compensation plan.

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, 2022	Common stock	¥3,996 million \$29,929 thousand	¥19.5 \$0.14	March 31, 2022	June 27, 2022
Board of Directors' Meeting on October 31, 2022	Common stock	¥3,791 million \$28,397 thousand	¥18.5 \$0.13	September 30, 2022	November 25, 2022

(2) Dividends with a date of record during the fiscal year ended March 31, 2023 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 27, 2023	Common stock	¥4,400 million \$32,951 thousand	Retained earnings	¥21.5 \$0.16	March 31, 2023	June 28, 2023

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
	2022	2023	2023
Cash and deposits.....	¥ 46,289	¥ 45,361	\$ 339,711
Deposits with maturities longer than 3 months	(1,788)	(1,884)	(14,112)
Short-term investment with maturities within 3 months after the date of acquisition ...	139,999	136,000	1,018,497
Cash and cash equivalents	184,501	179,477	1,344,096

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, 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	—	—	—

March 31, 2023

	Millions of yen		
	Book value	Market value	Difference
(1) Short-term investment securities and investment securities	¥269,490	¥269,193	¥(296)
(2) Long-term deposits	—	—	—
Total assets	269,490	269,193	(296)
(1) Long-term loans payable	25	25	(0)
Total liabilities	25	25	(0)
Derivatives	(8)	(8)	—

*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, 2023

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Short-term investment securities and investment securities	\$2,018,199	\$2,015,979	\$(2,220)
(2) Long-term deposits	—	—	—
Total assets	2,018,199	2,015,979	(2,220)
(1) Long-term loans payable	193	191	(1)
Total liabilities	193	191	(1)
Derivatives	(66)	(66)	—

*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	For the fiscal year ended March 31, 2023
Unlisted stocks and others	¥5,158 million	¥5,401 million \$40,454 thousand

*3 Net claims receivable and claims payables arising from derivative transactions are shown in net amounts and items that make up total net claims payable are shown in parentheses.

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

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, 2023

	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits.....	¥ 45,361	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	232,930	—	—	—
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds).....	11,703	34,286	509	—
Held-to-maturity debt securities (Commercial paper)	4,999	—	—	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	136,000	—	—	—
Deposits paid.....	20,000	—	—	—
Long-term deposits.....	—	—	—	—
Total	¥450,995	¥34,286	¥509	¥ —

March 31, 2023

	Thousands of U.S. dollars			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits.....	\$ 339,711	\$ —	\$ —	\$ —
Notes receivable, accounts receivable from completed construction contracts and other	1,744,409	—	—	—
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds).....	87,643	256,767	3,817	—
Held-to-maturity debt securities (Commercial paper)	37,441	—	—	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	1,018,497	—	—	—
Deposits paid.....	149,779	—	—	—
Long-term deposits.....	—	—	—	—
Total	\$3,377,482	\$256,767	\$3,817	\$ —

(Note 2) As for the amount of long-term loans payable 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, 2023

	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Available-for-sale securities				
Equity.....	¥81,972	—	—	¥81,972
Total assets	81,972	—	—	81,972
Derivatives				
Currency related	—	(8)	—	(8)
Total liabilities	¥ —	¥ (8)	—	¥ (8)

For the fiscal years ended March 31, 2023

	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.....	\$613,885	—	—	\$613,885
Total assets	613,885	—	—	613,885
Derivatives				
Currency related	—	(66)	—	(66)
Total liabilities	\$ —	\$(66)	—	\$(66)

(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, 2023

	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	—	¥ 46,202	—	¥ 46,202
Negotiable certificate of deposits.....	—	136,000	—	136,000
Commercial paper	—	4,999	—	4,999
Available-for-sale securities				
Other.....	—	19	—	19
Long-term deposits	—	—	—	—
Total assets	—	187,221	—	187,221
Long-term loans payable....	—	25	—	25
Total liabilities	—	¥ 25	—	¥ 25

For the fiscal years ended March 31, 2023

	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	—	\$ 346,008	—	\$ 346,008
Negotiable certificate of deposits.....	—	1,018,497	—	1,018,497
Commercial paper	—	37,441	—	37,441
Available-for-sale securities				
Other.....	—	145	—	145
Long-term deposits	—	—	—	—
Total assets	—	1,402,093	—	1,402,093
Long-term loans payable....	—	191	—	191
Total liabilities	—	\$ 191	—	\$ 191

(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.

Derivatives transactions

Market value is calculated based on the price presented by the counterparty financial institution and is classified as Level 2 market value.

SECURITIES

1. Held-to-Maturity Debt Securities

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, 2023

	Millions of yen		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Corporate bonds	¥ 6,742	¥ 6,755	¥ 12
Subtotal	6,742	6,755	12
(2) Securities whose market value is equal to or lower than the book value			
Corporate bonds.....	39,756	39,447	(308)
Commercial paper	4,999	4,999	—
Negotiable certificates of deposit.....	136,000	136,000	—
Subtotal	180,755	180,446	(308)
Total	¥187,498	¥187,202	¥(296)

March 31, 2023

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Corporate bonds	\$ 50,495	\$ 50,589	\$ 93
Subtotal	50,495	50,589	93
(2) Securities whose market value is equal to or lower than the book value			
Corporate bonds.....	297,732	295,418	(2,313)
Commercial paper	37,441	37,441	—
Negotiable certificates of deposit.....	1,018,497	1,018,497	—
Subtotal	1,353,671	1,351,357	(2,313)
Total	\$1,404,167	\$1,401,947	\$(2,220)

2. Available-for-Sale Securities

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, 2023

	Millions of yen		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	¥81,613	¥25,421	¥56,192
Subtotal	81,613	25,421	56,192
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	358	408	(50)
Other	19	19	—
Subtotal	377	428	(50)
Total	¥81,991	¥25,849	¥56,142

March 31, 2023

	Thousands of U.S. dollars		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	\$611,203	\$190,378	\$420,825
Subtotal	611,203	190,378	420,825
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	2,682	3,059	(377)
Other	145	145	—
Subtotal	2,828	3,205	(377)
Total	\$614,031	\$193,583	\$420,448

3. Available-for-Sale Securities Sold

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, 2023

	Millions of yen		
	Sold	Total gain on sales	Total loss on sales
Equity	¥4,704	¥2,814	¥—
Other	—	—	—
Total	¥4,704	¥2,814	¥—

For the fiscal year ended March 31, 2023

	Thousands of U.S. dollars		
	Sold	Total gain on sales	Total loss on sales
Equity	\$35,229	\$21,077	\$—
Other	—	—	—
Total	\$35,229	\$21,077	\$—

4. Impairment Loss on Securities

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 (¥18 million 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 real value, which considers excess earning power in net assets per share, below the acquisition cost for stocks without market prices respectively.

For the fiscal year ended March 31, 2023

During the fiscal year ended March 31, 2023, the Company recognized impairment losses on securities of ¥15 million (US\$116 thousand) (¥6 million (US\$47 thousand) on stocks excluding stocks without market prices in other available-for-sale-securities and on stocks without market prices in other available-for-sale-securities of ¥9 million (US\$69 thousand)).

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 real value, which considers excess earning power in net assets per share, below the acquisition cost for stocks without market prices respectively.

DERIVATIVE TRANSACTIONS

For the fiscal years ended March 31, 2022

Information on derivative transactions has been omitted due to lack of materiality.

For the fiscal years ended March 31, 2023

Hedge accounting method	Types of hedging transactions	Main hedged items	Contract amount	Contract amount over one year	Market value
Deferral method	Forward exchange transactions Buying U.S. dollars	Anticipated foreign currency-denominated transactions due to the import of valve materials	¥826 million	—	¥(8 million)
			\$6,187 thousand	—	\$(66 thousand)

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
	2022	2023	2023
Opening balance of projected benefit obligations	¥94,039	¥94,601	\$708,465
Service cost	4,198	3,987	29,860
Interest cost	275	274	2,053
Actuarial loss	(46)	480	3,595
Retirement benefits provided	(4,132)	(4,720)	(35,350)
Increase in value due to the acquisition of a newly consolidated subsidiary	267	—	—
Closing balance of projected benefit obligations	¥94,601	¥94,622	\$708,625

(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
	2022	2023	2023
Opening balance of plan assets.....	¥79,583	¥80,630	\$603,837
Expected return on plan assets.....	1,582	1,603	12,006
Actuarial gain.....	734	(1,199)	(8,985)
Contribution of employer....	1,799	1,806	13,527
Retirement benefits paid	(3,070)	(3,338)	(24,998)
Closing balance of plan assets.	¥80,630	¥79,502	\$595,387

(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
	2022	2023	2023
Projected benefit obligations, funded plan	¥ 73,435	¥ 73,145	\$ 547,781
Plan assets	(80,630)	(79,502)	(595,387)
	(7,195)	(6,356)	(47,605)
Projected benefit obligations, unfunded plan	21,166	21,477	160,843
Net amount of liabilities and assets recorded on the balance sheet.....	13,971	15,120	113,238
Net defined benefit liability	21,242	21,648	162,125
Net defined benefit asset	(7,271)	(6,527)	(48,887)
Net amount of liabilities and assets recorded on the balance sheet.....	¥ 13,971	¥ 15,120	\$ 113,238

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

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Service cost* ^{1,2}	¥ 4,198	¥ 3,987	\$ 29,860
Interest cost.....	275	274	2,053
Expected return on plan assets.....	(1,582)	(1,603)	(12,006)
Amortization value of actuarial loss.....	1,505	1,474	11,044
Amortization value of prior service cost	(1,023)	(1,023)	(7,666)
Retirement benefit expenses related to defined benefit plans.....	¥ 3,372	¥ 3,109	\$ 23,285

*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
	2022	2023	2023
Prior service cost	¥ 1,023	¥1,023	\$7,666
Actuarial gains and losses	(2,286)	205	1,537
Total.....	¥(1,263)	¥1,229	\$9,204

(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
	2022	2023	2023
Unrecognized prior service cost	¥(9,040)	¥(8,017)	\$(60,039)
Unrecognized actuarial loss.....	5,674	5,880	44,036
Total.....	¥(3,365)	¥(2,136)	\$(16,002)

(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:

	2022	2023
Domestic bonds.....	43%	40%
Domestic equities.....	12	13
Foreign bonds.....	6	6
Foreign equities	13	14
Insurance assets (General account).....	25	25
Cash and deposits.....	0	0
Others	1	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

	2022	2023
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 ¥1,439 million in the previous consolidated fiscal year.

The required amount of contribution to the Company's defined contribution plan is ¥1,450 million (US\$10,863 thousand) in the current consolidated fiscal year.

REGARDING STOCK OPTIONS, ETC.

Details, scale, and fluctuations of pre-delivery type stock-options among transactions in which gratis shares are granted to Directors as compensation

1. Amount of expenses recorded and name of category for restricted stock compensation

	For the fiscal year ended March 31, 2023
Selling, general and administrative (SG & A) expenses	¥31 million \$233 thousand

2. Details of restricted stock compensation

Classification and number of Eligible Persons

Company Directors (excluding Outside Directors) 9 persons

Number of shares granted

the Company's common stock: 27,498 shares

Grant date

July 22, 2022

Transfer restriction period

The period from July 22, 2022 (hereinafter referred to as the "Disposition Date") to the time immediately after retiring from any of the positions of Director, Audit & Supervisory Board Member, or Executive Officer not concurrently serving as a Director of the Company.

Release of restrictions

The transfer restriction for all of the Allotted Shares shall be released at the expiration of the transfer restriction period on the condition that the person has continued to hold the position of Director, Audit & Supervisory Board Member, or Executive Officer not concurrently serving as a Director of the Company during the period from the day on which the Eligible Director commences the execution of duties until immediately before the conclusion of the first ordinary general meeting of shareholders (hereinafter referred to as the "Service Period").

(1) Handling in the event that an Eligible Director resigns due to the expiration of term of office or other justifiable reasons during the Service Period

1) Timing of release of transfer restrictions

In the event that an Eligible Director has retired from any of the positions of Director, Audit & Supervisory Board Member, or Executive Officer not concurrently serving as a Director of the Company due to the expiration of that person's term of office or other justifiable reasons (including retirement due to death), transfer restrictions shall be released at the time immediately after the Eligible Director's retirement.

2) Number of shares subject to release of transfer restrictions

The number of shares shall be calculated by multiplying the number of Allotted Shares held by the Eligible Director at the time of retirement pursuant to 1) with the quotient derived by dividing the number of months in the period beginning from the month of the Disposal Date and ending on the month in which the Eligible Director retires by the number of months

contained in the Service Period (12). (However, such a quotient shall be reduced to 1 if it is larger than 1 and the number of shares shall be rounded down to whole numbers.

(2) Acquisition without Compensation by the Company

In the event that an Eligible Director commits an illegal act or otherwise gives rise to certain cause during the transfer restriction period as stipulated in the Allotment Agreement, the Company will, as a matter of course, acquire without providing compensation, all the Allotted Shares held by the Eligible Director at that time. Additionally, the Company will, as a matter of course, further acquire without compensation any Allotted Shares for which transfer restrictions are not released upon the expiry of the transfer restriction period or upon the lifting of transfer restrictions pursuant to (1) above.

(3) Procedure in the event of reorganization, etc.

In the event that any matters related to a merger agreement in which the Company is the non-surviving company, a share exchange agreement or equity transfer plan in which the Company becomes a wholly owned subsidiary of another company, or other measures that cause the Company to undergo reorganization are approved at the Company's General Shareholders Meeting (or Board meeting, if such matters regarding reorganization do not require the approval at the General Shareholders Meeting), then pursuant to a Board resolution, transfer restrictions will be released for a certain number of Allotted Shares at the moment immediately before commencement of the business day that precedes the day that the organizational restructuring measures take effect, with the number calculated by multiplying the number of shares held by the Eligible Director at that time with the quotient that is derived by dividing the number of months contained in the period beginning on the month of the Disposal Date and ending on the month in which approval is issued by the number of months contained in the Service Period (12). (However, such quotient shall be reduced to 1 if it is larger than 1 and the number of shares shall be rounded down to whole numbers.)

Fair value unit price on grant date

¥1,514

\$11

3. Number of restricted stock awards

	For the fiscal year ended March 31, 2023
End of previous consolidated fiscal year	—
Grant	27,498
Acquire without compensation	—
Release of transfer restrictions	—
Restricted transfer balance	27,498

4. Method for estimating a fair appraisal unit price

To eliminate arbitrariness in value, the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market is used on the business day prior to the date of the resolution of the Board of Directors.

DEFERRED TAX ACCOUNTING

1. Principal Components of Deferred Tax Assets and Liabilities

March 31

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Deferred tax assets:			
Allowance for doubtful accounts.....	¥ 186	¥ 177	\$ 1,328
Accrued expenses.....	4,757	4,648	34,813
Accrued enterprise tax.....	890	948	7,102
Net defined benefit liability.....	4,972	4,904	36,730
Loss on valuation of investment securities	1,079	993	7,443
Loss on valuation of memberships.....	364	354	2,655
Impairment loss.....	426	468	3,509
Provision for loss on construction contracts	768	751	5,627
Unrealized gains.....	662	615	4,612
Others.....	1,398	1,384	10,367
Subtotal of deferred tax assets...	15,506	15,247	114,190
Valuation allowance	(2,461)	(2,406)	(18,018)
Total deferred tax assets	13,045	12,841	96,171
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(16,639)	(16,316)	(122,190)
Reserve for advanced depreciation of noncurrent assets	(100)	(100)	(749)
Others.....	(2,213)	(1,633)	(12,234)
Total deferred tax liabilities	(18,952)	(18,049)	(135,174)
Net deferred tax liabilities.....	¥ (5,907)	¥ (5,208)	\$ (39,002)

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

	2022	2023
Effective statutory tax rate	30.6%	30.6%
(Adjustments)		
Permanently non-deductible items	1.1	1.6
Permanently non-taxable items	(0.3)	(0.3)
Increase/decrease in valuation allowance	(1.0)	0.0
Other	3.5	1.1
Corporate tax, etc., overage ratio after application of tax effect accounting	33.9	33.0

ASSET RETIREMENT OBLIGATION

For the fiscal years ended March 31, 2022 and 2023

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, 2022 and 2023

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
Goods or services transferred over a period of time	¥327,905
Goods or services transferred at a point in time	238,888
Revenue from contracts with customers....	566,794
Other revenue.....	—
Sales to external customers.....	566,794

For the fiscal year ended March 31, 2023

	Millions of yen	Thousands of U.S. dollars
Goods or services transferred over a period of time	¥370,955	\$2,778,066
Goods or services transferred at a point in time	238,177	1,783,697
Revenue from contracts with customers....	609,132	4,561,763
Other revenue.....	—	—
Sales to external customers.....	609,132	4,561,763

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
Trade receivables arising from contracts with customers (balance at start of term)	¥142,288
Trade receivables arising from contracts with customers (balance at end of term)	138,048
Contract assets (balance at start of term)	66,694
Contract assets (balance at end of term)	70,252
Contract liabilities (balance at start of term)	16,694
Contract liabilities (balance at end of term)	11,008

For the fiscal year ended March 31, 2023

	Millions of yen	Thousands of U.S. dollars
Trade receivables arising from contracts with customers (balance at start of term)	¥138,048	\$1,033,837
Trade receivables arising from contracts with customers (balance at end of term)	155,374	1,163,595
Contract assets (balance at start of term)	70,252	526,118
Contract assets (balance at end of term)	77,556	580,813
Contract liabilities (balance at start of term)	11,008	82,443
Contract liabilities (balance at end of term)	20,957	156,951

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 in the previous 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 in the previous consolidated fiscal year are an increase due to the receipt of advances received on uncompleted construction contracts and a decrease due to the fulfillment of performance obligations.

The contract liability balance as of the beginning of the previous consolidated fiscal year was generally recognized as revenue for the previous consolidated fiscal year and the amount carried forward from the current consolidated fiscal year is not significant. Additionally, in the previous consolidated fiscal year, the amount of revenue recognized from performance obligations that have been satisfied (or partially satisfied) in past periods is not significant.

The main reasons for the increase in contract assets of ¥7,303 million (US\$54,695 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 ¥9,949 million (US\$74,508 thousand) in the current consolidated fiscal year are an 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 ¥9,593 million (US\$71,848 thousand). 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 ¥531,296 million (US\$3,978,855 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, 2022 and 2023

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, 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

Customer name	Net sales	
	Millions of yen	Related segment
The Kansai Electric Power Company, Incorporated	¥76,459	Facility Construction Business

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

For the fiscal year ended March 31, 2023

(1) Information by products and services

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

(2) Information by geographical region

(a) Net sales

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

(b) Property, plant and equipment

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

(3) Information for main customers

Customer name	Net sales		Related segment
	Millions of yen	Thousands of U.S. dollars	
The Kansai Electric Power Company, Incorporated	¥79,690	\$596,800	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, 2022 and 2023

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, 2022 and 2023

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, 2022 and 2023

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, 2022

Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties	
Other affiliates	The Kansai Electric Power Company, Incorporated (Kita-ku, Osaka)	¥489,320 million	Electric power business	(Held) Direct 28.8% Indirect 7.1% [See Figure 1]	Receipt of orders for power generation construction, etc.	
		Description of transaction		Amount of transaction	Account	Balance at the end of the fiscal year
		Operating transactions	Electrical projects orders	¥1,266 million	Accounts receivable from completed construction contracts	¥1,215 million
					Advances received on uncompleted construction contracts	¥7 million
		Deposit of assets		—	Deposits	¥10,000 million
				Long-term deposits	¥10,000 million	

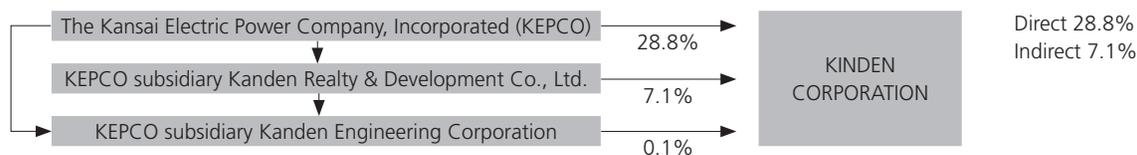
(Note 1) Terms of transactions and policy for determining terms of transactions, etc.

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.

(Note 3) The transaction amount of deposit of assets is the net increase or decrease from the balance at the end of the previous fiscal year.

Figure 1



(Note 4) Percentage of voting rights held is calculated based on the number of shares with voting rights owned as of March 31, 2022.

For the fiscal year ended March 31, 2023

Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties	
Other affiliates	The Kansai Electric Power Company, Incorporated (Kita-ku, Osaka)	¥489,320 million \$3,664,500 thousand	Electric power business	(Held) Direct 28.8% Indirect 7.1% [See Figure 1]	Receipt of orders for power generation construction, etc.	
		Description of transaction		Amount of transaction	Account	Balance at the end of the fiscal year
		Operating transactions	Electrical projects orders	¥1,593 million \$11,937 thousand	Accounts receivable from completed construction contracts	¥1,330 million \$9,966 thousand
		Deposit of assets		—	Advances received on uncompleted construction contracts	¥3 million \$25 thousand
				Deposits	¥20,000 million \$149,779 thousand	

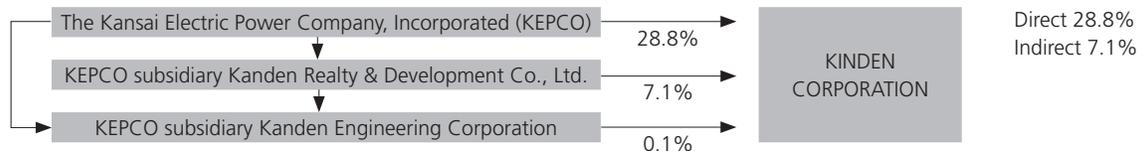
(Note 1) Terms of transactions and policy for determining terms of transactions, etc.

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.

(Note 3) The transaction amount of deposit of assets is the net increase or decrease from the balance at the end of the previous fiscal year.

Figure 1



(Note 4) Percentage of voting rights held is calculated based on the number of shares with voting rights owned as of March 31, 2023.

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, 2022

Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties	
Subsidiaries of other affiliates	Kansai Transmission and Distribution, Inc. (Kita-ku, Osaka)	¥40,000 million	General power transmission and distribution business	—	Receipt of orders for power distribution lining and transmission line construction, etc.	
		Description of transaction		Amount of transaction	Account	Balance at the end of the period
		Operating transactions	Electrical projects orders	¥73,559 million	Accounts receivable from completed construction contracts	¥12,912 million
				Advances received on uncompleted construction contracts	¥271 million	

(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, 2023

Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties	
Subsidiaries of other affiliates	Kansai Transmission and Distribution, Inc. (Kita-ku, Osaka)	¥40,000 million \$299,558 thousand	General power transmission and distribution business	—	Receipt of orders for power distribution lining and transmission line construction, etc.	
					Description of transaction	Amount of transaction
		Operating transactions	Electrical projects orders	¥76,898 million \$575,892 thousand	Accounts receivable from completed construction contracts	¥12,349 million \$92,485 thousand
					Advances received on uncompleted construction contracts	¥327 million \$2,456 thousand

(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
	2022	2023	2023
Net assets per common share.....	¥2,493.25	¥2,598.73	\$19.46
Profit attributable to owners of parent per common share.....	128.65	140.15	1.04

(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
	2022	2023	2023
Profit attributable to owners of parent.....	¥26,366	¥28,722	\$215,104
Amount not attributable to ordinary shareholders.....	—	—	—
Profit attributable to owners of parent applicable to common stock.....	26,366	28,722	215,104

	Thousands of shares	
	2022	2023
Average number of common stock outstanding for each period.....	204,945	204,940

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

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Total net assets	¥511,843	¥532,713	\$3,989,469
Amounts deducted			
from total net assets	864	816	6,115
Non-controlling interests.....	864	816	6,115
Total net assets related to common stock	510,978	531,897	3,983,354

	Thousands of shares	
	2022	2023
Number of common stock used to calculate net assets per share.....	204,944	204,675

SUBSEQUENT EVENTS

Not applicable.

CONSOLIDATED SUPPLEMENTAL SCHEDULES

Schedule of Corporate Bonds

Not applicable.

Schedule of Outstanding Loans, etc.

	At April 1, 2022	At March 31, 2023	Average rate	Due date
Short-term loans payable	¥15,988 million	¥15,070 million \$112,858 thousand	0.617%	—
Current portion of long-term loans payable	¥26 million	¥25 million \$193 thousand	1.700%	—
Current portion of lease obligations	¥52 million	¥50 million \$381 thousand	—	—
Long-term loans payable (Excluding current portion of long-term loans payable)	¥25 million	—	—	—
Lease obligations (Excluding current portion of lease obligations)	¥147 million	¥189 million \$1,416 thousand	—	From 2024 to 2029
Other interest-bearing debt	—	—	—	—
Total	¥16,240 million	¥15,335 million \$114,850 thousand	—	—

(Note 1) Average interest rate is weighted average interest rate for the balance of outstanding loans at the end of the fiscal year.

Average interest rate for lease obligations is not shown because the amount equivalent to interest included in total lease fees is allocated to each consolidated fiscal year using the straight-line method.

(Note 2) The aggregate annual maturities of lease obligations within five years after March 31, 2023 (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	¥91 million \$683 thousand	¥62 million \$466 thousand	¥30 million \$225 thousand	¥3 million \$23 thousand

Schedule of Asset Retirement Obligations

Not applicable.

OTHERS

Quarterly Information for the Fiscal Year ended March 31, 2023

(Cumulative period)	One quarter	Two quarters	Three quarters	Full year
Net sales	¥115,451 million \$864,613 thousand	¥258,108 million \$1,932,962 thousand	402,673 million \$3,015,600 thousand	¥609,132 million \$4,561,763 thousand
Profit before income taxes	¥1,929 million \$14,447 thousand	¥8,986 million \$67,296 thousand	¥17,332 million \$129,799 thousand	¥42,709 million \$319,849 thousand
Profit attributable to owners of parent	¥608 million \$4,560 thousand	¥5,487 million \$41,095 thousand	¥11,035 million \$82,644 thousand	¥28,722 million \$215,104 thousand
Profit attributable to owners of parent per common share	¥2.97 \$0.02	¥26.77 \$0.20	¥53.84 \$0.40	¥140.15 \$1.04

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Profit attributable to owners of parent per common share	¥2.97 \$0.02	¥23.80 \$0.17	¥27.07 \$0.20	¥86.32 \$0.64

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, 2023, 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, 2023, 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.

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	
Description of Key Audit Matter	Auditor's Response
<p>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 in KINDEN CORPORATION, the parent company was ¥313,412 million, accounting for 51.5% of the total amount of consolidated sales of completed construction contracts.</p> <p>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.</p> <p>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.).</p>	<p>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.</p> <p>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.</p> <p>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.</p>

<p>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.</p> <p>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.</p>	<p>3) Evaluation of the reasonableness of estimate of total construction costs</p> <p>We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>4) Evaluation of the reasonableness of the estimate of the construction progress rate</p> <p>We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs.</p> <p>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.</p> <p>We performed positive confirmation procedures to verify the appropriateness of construction accounts payable.</p>
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Estimate of provision for loss on construction contracts	
Description of Key Audit Matter	Auditor's Response
<p>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 2,456 million yen.</p> <p>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.</p> <p>Therefore, we identified this matter as a key audit matter.</p>	<p>We mainly performed the following audit procedures in considering the recording of provision of loss on construction contracts.</p> <p>1) Evaluation of internal control</p> <p>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.</p> <p>2) Evaluation of the reasonableness of the estimate of total construction revenue.</p> <p>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.</p> <p>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.</p> <p>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.</p>

	<p>3) Evaluation of the reasonableness of the estimate of total construction costs</p> <p>We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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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, 2023 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 27, 2023

Toru Yasuhara
Representative Partner
Engagement Partner
Certified Public Accountant



Takahiro Fujita
Representative Partner
Engagement Partner
Certified Public Accountant



Takanori Nakasuka
Representative Partner
Engagement Partner
Certified Public Accountant



Non-Consolidated Balance Sheets

KINDEN CORPORATION
March 31, 2022 and 2023

ASSETS	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
CURRENT ASSETS:			
Cash and deposits.....	¥ 16,825	¥ 15,553	\$ 116,480
Notes receivable-trade.....	2,149	1,689	12,653
Electronically recorded monetary claims.....	18,383	25,184	188,604
Accounts receivable from completed construction contracts.....	160,147	169,983	1,272,999
Short-term investment securities.....	152,603	152,702	1,143,582
Costs on uncompleted construction contracts.....	16,833	16,706	125,110
Raw materials and supplies.....	1,514	1,586	11,881
Deposits paid.....	10,000	20,000	149,779
Other.....	3,108	4,708	35,259
Allowance for doubtful accounts.....	(481)	(402)	(3,013)
Total current assets.....	381,084	407,712	3,053,338
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings.....	80,882	82,356	616,763
Accumulated depreciation.....	(57,645)	(58,106)	(435,157)
Buildings, net.....	23,237	24,249	181,605
Structures.....	5,962	6,106	45,733
Accumulated depreciation.....	(5,211)	(5,235)	(39,211)
Structures, net.....	750	870	6,522
Machinery and equipment.....	2,545	2,704	20,256
Accumulated depreciation.....	(2,098)	(2,217)	(16,607)
Machinery and equipment, net.....	447	487	3,649
Vehicles.....	21,927	23,047	172,602
Accumulated depreciation.....	(17,829)	(18,641)	(139,604)
Vehicles, net.....	4,097	4,406	32,997
Tools, furniture and fixtures.....	9,646	9,648	72,253
Accumulated depreciation.....	(8,370)	(8,416)	(63,029)
Tools, furniture and fixtures, net.....	1,276	1,231	9,224
Land.....	56,255	56,109	420,201
Construction in progress.....	1,245	24,297	181,960
Total property, plant and equipment.....	87,309	111,652	836,160
INTANGIBLE ASSETS:			
Leasehold right.....	116	116	870
Telephone subscription right.....	136	136	1,019
Software.....	2,538	2,829	21,188
Total intangible assets.....	2,790	3,081	23,079
INVESTMENTS AND OTHER ASSETS:			
Investment securities.....	119,785	115,039	861,528
Stocks of subsidiaries and associates.....	15,564	15,684	117,459
Investments in capital of subsidiaries and associates.....	3,151	3,151	23,597
Long-term deposits.....	10,000	—	—
Long-term loans receivable.....	106	105	790
Long-term loans receivable from subsidiaries and associates.....	9,334	8,005	59,953
Claims provable in bankruptcy, claims provable in rehabilitation and other.....	9	—	—
Long-term prepaid expenses.....	95	101	762
Prepaid pension cost.....	2,123	2,696	20,190
Other.....	3,245	3,285	24,603
Allowance for doubtful accounts.....	(778)	(807)	(6,048)
Total investments and other assets.....	162,637	147,262	1,102,839
Total noncurrent assets.....	252,737	261,996	1,962,079
Total assets.....	¥633,822	¥669,708	\$5,015,418

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
CURRENT LIABILITIES:			
Notes payable-trade.....	¥ 1,002	¥ 962	\$ 7,211
Accounts payable for construction contracts	70,270	78,108	584,950
Short-term loans payable	14,810	14,270	106,867
Accounts payable-other.....	9,590	11,091	83,060
Accrued expenses.....	13,924	13,396	100,326
Income taxes payable.....	10,011	11,068	82,890
Advances received on uncompleted construction contracts	7,582	14,147	105,952
Provision for loss on construction contracts	2,511	2,455	18,392
Provision for warranties for completed construction	236	258	1,932
Provision for directors' bonuses	83	73	551
Other.....	9,072	10,611	79,470
Total current liabilities	139,095	156,444	1,171,604
NONCURRENT LIABILITIES:			
Deferred tax liabilities	5,234	4,973	37,246
Provision for retirement benefits.....	17,028	17,310	129,637
Other.....	1,027	1,140	8,542
Total noncurrent liabilities	23,289	23,424	175,426
Total liabilities	162,384	179,868	1,347,030
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 205,141,080 shares (2023)	26,411	26,411	197,794
Capital surplus	29,657	29,657	222,101
Retained earnings	375,765	395,647	2,962,988
Treasury stock	(310)	(731)	(5,481)
Total shareholders' equity	431,523	450,984	3,377,403
VALUATION AND TRANSLATION ADJUSTMENTS:			
Valuation difference on available-for-sale securities.....	39,914	38,864	291,050
Deferred gains or losses on hedges	—	(8)	(66)
Total valuation and translation adjustments	39,914	38,855	290,984
Total net assets	471,438	489,839	3,668,387
Total liabilities and net assets	¥633,822	¥669,708	\$5,015,418

Board of Directors and Audit & Supervisory Board Members

As of June 27, 2023

Chairman: Yoshihiro Doi

President: Takao Uesaka

Vice President: Hiroyuki Hayashi

Directors: Hiroshi Nishimura *1
Moriyoshi Sato *1
Hideo Tanaka *2
Takashi Fukuda *2
Koji Izaki *2
Masanori Horikiri *2
Hanroku Toriyama *3*5
Keiji Takamatsu *3*5
Keizo Morikawa *3*5
Kazunobu Sagara *3*5
Haruko Kokue *3*5
Fumi Musashi *3*5

Permanent Audit & Supervisory Board Member: Kazuaki Nishikiori

Audit & Supervisory Board Members: 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

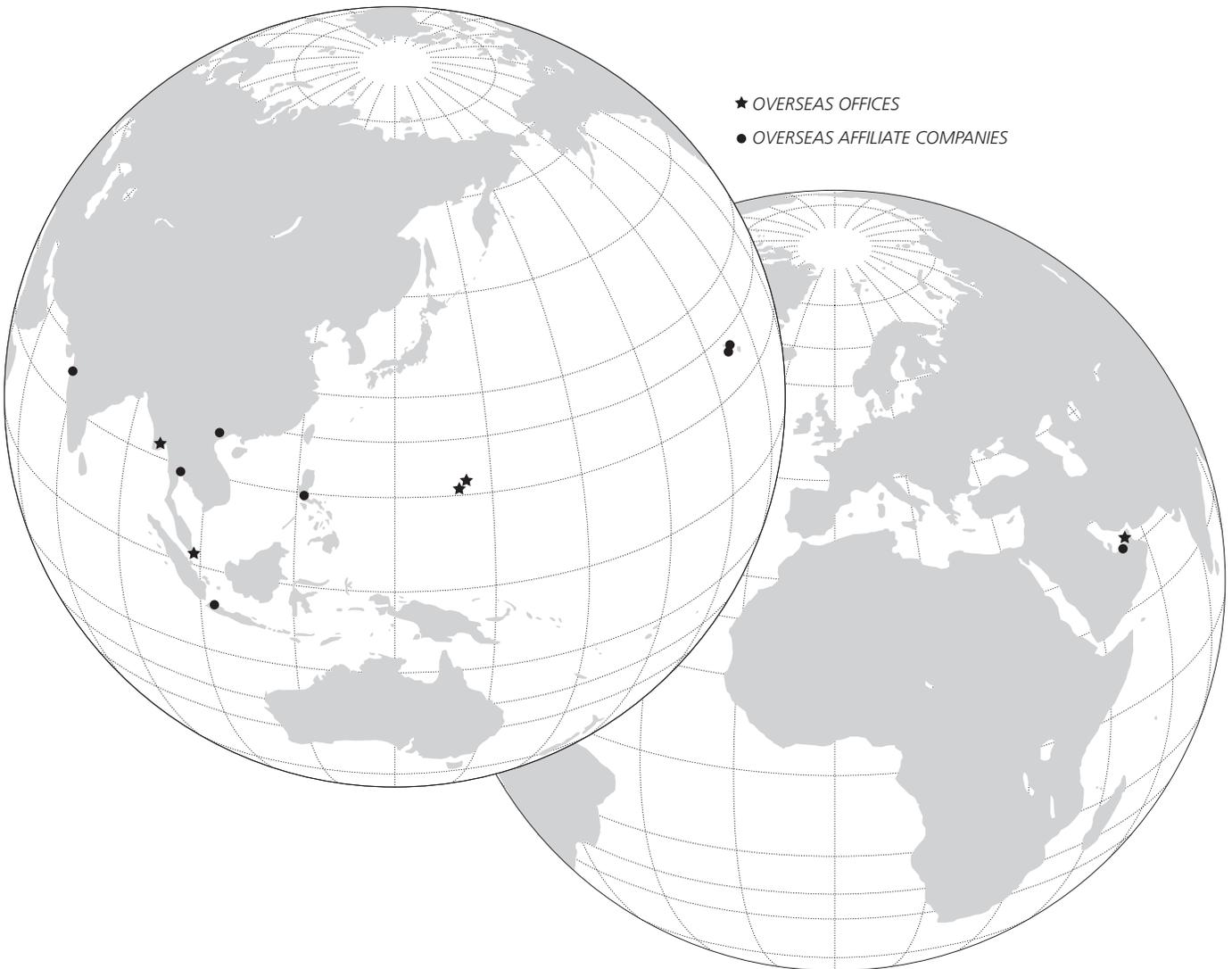
Name:	KINDEN CORPORATION
Date of establishment:	August 26, 1944
Head Office (Osaka):	2-3-41, Honjo-Higashi, Kita-ku, Osaka 531-8550, Japan
Tokyo Head Office:	2-1-21, Kudan-Minami, Chiyoda-ku, Tokyo 102-8628, Japan
Research center:	Kyoto Institute: Kizugawa, Kyoto Prefecture, Japan
Training centers:	Kinden Gakuen: Nishinomiya, Hyogo Prefecture, Japan Human Resources Development Center: Inzai, Chiba Prefecture, Japan
Capital:	¥26,411,487,018 (As of March 31, 2023)
Construction business license:	Construction License of the Ministry of Land, Infrastructure, Transport and Tourism Special Construction License (3), No.114 (15 business categories)
Employees:	8,328 (As of March 31, 2023)
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 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

OVERSEAS OFFICES

- Singapore Office
- Guam Office
- Yangon Office (Myanmar)
- Saipan Office
- Dubai Office (United Arab Emirates)

OVERSEAS AFFILIATE COMPANIES

- US Kinden Corporation**
1023 Kikowaena Place, Unit #2; Honolulu, HI 96819, U.S.A.
- Wasa Electrical Services, Inc.**
1023 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

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, Chita, 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, Kishiwada, 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 Nishinohon 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/>