

ANNUAL REPORT

2011

Year Ended March 31, 2011

KINDEN CORPORATION

Kinden

Profile

Established in 1944, KINDEN CORPORATION has remained committed to our founding principle of social significance as a company established to benefit the public. We have become a leader in the comprehensive industrial facilities industry with a nationwide service network. Even in today's rapidly changing world, we continue to seek out market needs and manifest the entrepreneurial spirit with an orientation toward the future.

Overseas, the Kinden Group has built up an extensive international network with about 20 offices in ASEAN countries, the United States, China, Egypt, the United Arab Emirates, and other countries, with about 1,500 Japanese and local employees. Kinden has been involved with the construction of overseas plants for Japanese companies since the 1950s, accumulating over 50 years of experience and results in more than 80 foreign countries. In recent years, we have actively advanced into social infrastructure projects, centered on Southeast Asia. We are working to further contribute to society as our primary principle, toward developing our business as a comprehensive industrial facilities company with the three main pillars of energy, the environment, and information and communications.

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.

Contents

- 01...Interview with the President
- 04...Kinden at a Glance (Non-Consolidated)
- 06...Review of Operations (Non-Consolidated)
- 09...Topics
- 10...Special Feature:
 Manifesting Comprehensive Strengths in
 Building and Factory Facilities Diagnosis
- 12...Corporate Governance
- 14...Environmental Initiatives
- 15...Five-Year Financial Summary
- 16...Management's Discussion and Analysis
- 18...Consolidated Balance Sheets
- 20...Consolidated Statements of Income and
 Consolidated Statements of
 Comprehensive Income
- 21...Consolidated Statements of Changes
 in Net Assets
- 22...Consolidated Statements of Cash Flows
- 23...Notes to Consolidated Financial Statements
- 33...Report of Independent Certified
 Public Accountants
- 34...Non-Consolidated Balance Sheets
- 36...Non-Consolidated Statements of Income
- 37...Board of Directors and Auditors
- 38...Corporate Data
- 39...Network

Kinden is starting afresh with a new medium-term management plan. We will focus on enhancing our comprehensive capabilities and actively pursuing overseas business expansion in pursuit of sustainable growth.



*President
Kunihiko Fujita*



How would you describe the business environment during the fiscal year ended March 2011?

There were still few signs of a recovery in private sector capital expenditure, and the business environment remained challenging.

There was some improvement in corporate earnings during the fiscal year ended March 2011, as a result of government stimulus measures and an upturn in exports, but the Japanese economy remained at a standstill overall, with continued high yen and deflation, and no improvement in employment conditions. The Great East Japan Earthquake that occurred in March 2011 also had an impact on the nation's economy in general.

In the Japanese construction industry, public-sector construction spending remained at low levels despite a general tone of recovery in private-sector investment, and business conditions for the Kinden Group remained challenging.

We continued to receive steady orders from The Kansai Electric Power Co., Inc. and its group companies, but orders from other general customers waned as a result of curbs on corporate capital spending. In the face of such difficult circumstances, orders for factory and its related works and other projects fell sharply. At the same time, many of our trading partners showed signs of stepping up production in Asia and other overseas locations.



How were the business results for the period?

We posted declines in revenue and earnings, despite prioritizing the securing of orders and an emphasis on profitability, along with aggressive sales efforts.

The Kinden Group has made securing sufficient project volume and earnings its highest priority. We undertook aggressive sales efforts during the subject fiscal year, and took steps to lower costs and enhance profitability. However, net sales declined 3.7% from the previous fiscal year, to ¥478,516 million, mainly as a result of more intense competition for general works, and a falloff in large-scale projects.

We managed to limit construction losses through ongoing efforts to minimize costs, such as strengthening ties between our business divisions and stepping up field management, and moved forward with projects in a systematic and focused manner. At the same time, however, profitability from construction works deteriorated during the subject fiscal year as a result of more intense competition for orders. Kinden's consolidated gross profit on completed construction contracts fell 11.6% from the previous fiscal year to ¥64,055 million, mainly due to earnings of Kinden Corporation on construction work lower than the same level as the previous fiscal year on a non-consolidated basis. As a result, on a consolidated basis, the ratio of gross profit on completed construction contracts fell to 13.4%, from 14.6% in the previous fiscal year.

We continued to minimize costs, and reduced SG&A expenses 11.9% year on year, but operating income declined 11.1%, to ¥23,413 million. Net income, however, rose 6.1% from a year earlier, to ¥13,852 million, mainly due to a decrease in corporate taxes.

Kinden sustained no significant damage to its business locations as a result of the Great East Japan Earthquake, and the direct impact of the disaster on performance was negligible.

Net income per share rose ¥3.23 from the previous fiscal year, to ¥56.03 per share, on a consolidated basis.

* For details, see " Management's Discussion and Analysis" on page 16.



Please explain the medium-term management plan.

The business environment is changing dramatically, and we recognize that it's the beginning of a new era. We have designated fiscal 2011 as a year for us to take on new challenges, and start afresh under the medium-term management plan.

The business environment for Kinden has changed dramatically since the financial crisis triggered by the collapse of Lehman Brothers in fall 2008. With the rapid growth in emerging

countries, particularly in Asia, the shift overseas among Japanese companies has accelerated, and capital investment in Japan has remained sluggish.

This change in the business climate has had an impact on our business performance, with our mainstay factory and its related works declining by half. We believe that competition for orders in Japan will become even more intense, and do not anticipate major project orders, either in terms of quantity or quality. The earthquake disaster that occurred in March 2011 has also increased the uncertainty in the outlook for Japan's domestic economy, making forecasts even more difficult. Nevertheless, Japan continues to face numerous social issues, such as disaster recovery and the realization of a low-carbon society.

Kinden recognizes that this marks the beginning of a new era. We have designated the fiscal year ending March 2012, as a year for us to take on new challenges, and launched the medium-term management plan.

The new plan outlines four management issues: 1) Ensure safety and quality; 2) Train and development personnel; 3) Strengthen comprehensive capabilities; and 4) Expand overseas projects. By the final year of the plan, the fiscal year ending March 2014, we aim to achieve consolidated net sales of ¥500 billion, with operating income of ¥22 billion.

Consolidated Financial Highlights

KINDEN CORPORATION AND SUBSIDIARIES
For the years ended March 31

	Millions of yen		Thousands of U.S. dollars*1
	2011	2010	2011
Net sales.....	¥478,516	¥496,751	\$5,754,857
Operating income	23,413	26,341	281,576
Net income	13,852	13,055	166,592
Total assets.....	484,604	509,518	5,828,071
Total net assets.....	322,304	316,406	3,876,178
		Yen	U.S. dollars*1
Net income per share.....	¥56.03	¥52.80	\$0.67
Cash dividends per share	14.00	16.00	0.16

*1 U.S. dollar amounts are computed using the March 31, 2011 exchange rate of ¥83.15=US\$1.

Expansion of overseas projects in particular is an issue that will affect our future business performance. Considering that the Japanese construction market is shrinking, and the rapid growth in emerging countries centered on Asia, the issue of overseas expansion is unavoidable. We plan to focus in particular on countries such as Indonesia, Thailand, and Vietnam, where investment in facilities continues at a robust pace, in order to strengthen our earnings base with both qualitative and quantitative expansion, and establish a new pillar of earnings.



What are your policies regarding dividends and other forms of shareholder returns?

We consider stable returns to be one of our highest priorities, and will continue to manage the Company with a focus on shareholders.

Kinden's aim is for company management with a focus on shareholders. Our basic policy for dividends is to place top priority on maintaining stable payments to shareholders, and we conduct a dividend policy that takes into account business results and other factors.

In the fiscal year ended March 2011, we paid an interim dividend of ¥6 per ordinary share, and for the year-end dividend, in consideration of earnings performance added a ¥2 special dividend to the ordinary dividend of ¥6 per share for a ¥8 per share dividend. Together this amounted to a full-year dividend payment of ¥14 per share.

For the fiscal year ending March 2012, we plan to pay an ordinary dividend at the same level as the subject fiscal year of ¥12 per share, and in consideration of earnings performance add a special dividend of ¥2 per share, for a total full-year dividend payment of ¥14 per share. This will comprise an interim dividend of ¥6 per share, and a year-end dividend of ¥8 per share.



What are your earnings forecasts for the fiscal year ending March 2012?

While the business environment remains tight, we will steadily implement our medium-term management plan and enhance the corporate value of the Kinden Group.

For the fiscal year ending March 2012, we are forecasting net sales of ¥450,000 million (down 6.0% year on year), with operating income of ¥18,500 million (down 21.0%) and net income of ¥10,500 million (down 24.2%). We project net income per share to be ¥42.47 (down ¥13.56 in the previous fiscal year).

Despite the impact from the Great East Japan Earthquake and the considerable economic changes happening around the world, Kinden will reinforce its Group management, and improve earnings quickly during periods of recovery. I would like to express my sincere appreciation to all shareholders and investors for your guidance and support.

Kunihiko Fujita -

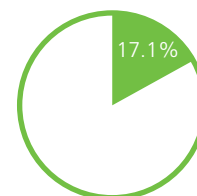
Kunihiko Fujita
President
June 2011

Kinden at a Glance (Non-Consolidated)

Power Distribution Lining

Kinden provides construction and maintenance works of the power distribution facilities (power poles, overhead and underground distribution lines, lines to the home, electric power meters, etc.) used by The Kansai Electric Power Co., Inc., which delivers electricity directly to its customers. Kinden also undertakes the installation works of cable conduit boxes (C.C. BOX), as well as the installation works of home appliances such as induction heating (IH) ovens and electric water heater and electrical system upgrading works for individual residences, offering comprehensive support for people's lives.

Net Sales

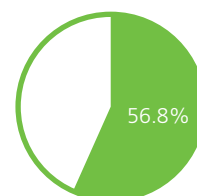


¥75,769 million

Electrical

Kinden provides consistent support in various types of electrical system installations from planning and renewal proposals to design, construction, and maintenance in public facilities, buildings, factories, schools, hospitals, and distribution and commercial facilities. The Company also conducts equipment diagnosis relating to renovation works and proposes engineering solutions for energy-saving as well as for realizing an optimum energy environment, offering high-value-added equipment.

Net Sales

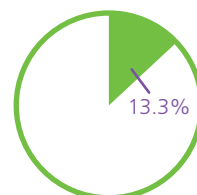


¥250,792 million

Information & Communications Network

Kinden is involved in a wide range of business activities, from infrastructure development such as installation of instruments in factories and buildings, fiber to the home (FTTH), cable television (CATV), and base stations for mobile communications, to the installation of local area network (LAN), network camera systems, and security systems at schools, along with the establishment of private communication networks in private homes. In addition, as a system integrator, the Company builds optimum, high-cost-performance systems that are free from constraints of manufacturers.

Net Sales

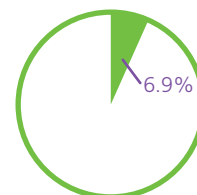


¥58,869 million

Environmental Management Facilities

Kinden undertakes installation of air-conditioning in factories and general air-conditioning in office buildings and commercial and amusement facilities, health and medical facilities, as well as the installation of sanitation and plumbing systems and interior finish works in offices and large-scale condominiums with a focus on functionality and artistic design. The Company engages in active efforts on a nationwide scale to meet the diverse needs of customers.

Net Sales

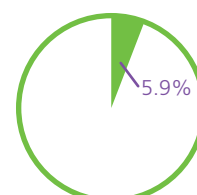


¥30,265 million

Electric Power & Others

Kinden provides electrical construction and maintenance works mainly for power plants, substations, and overhead and underground transmission lines for electric power companies. In recent years, the Company has also focused on the development of new energy sources such as wind and solar power generation and is energetically working on the construction of infrastructure mainly in Southeast Asia.

Net Sales



¥26,118 million



Electrical
Shonan Research Center of Takeda Pharmaceutical Company Limited (Kanagawa)



Environmental Management Facilities
XIV Arima Rikyū (Hyogo)



Information & Communications Network
Installation work on eo Hikari Net Condominium type of K-Opticom Corporation (Nara)



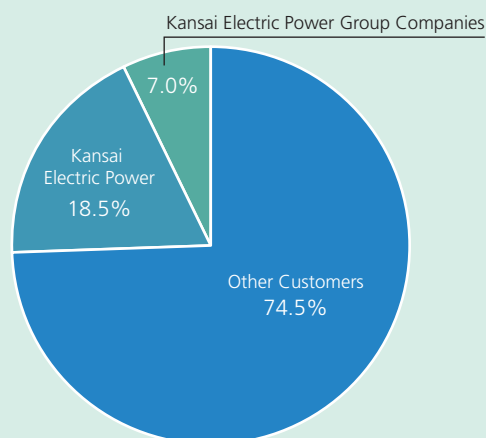
Power Distribution Lining
Installation work on power distribution lines of The Kansai Electric Power Co., Inc. (Hyogo)



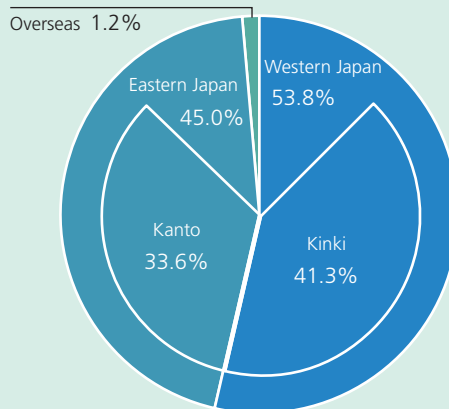
Electric Power & Others
Power substation of The Kansai Electric Power Co., Inc. (Kyoto)

Composition of Non-Consolidated Net Sales, Orders, and Costs

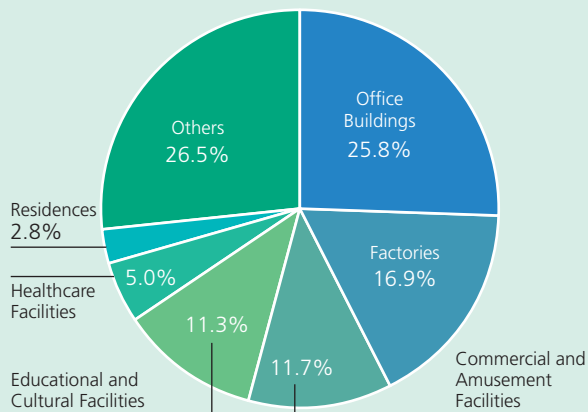
Net Sales by General Customers



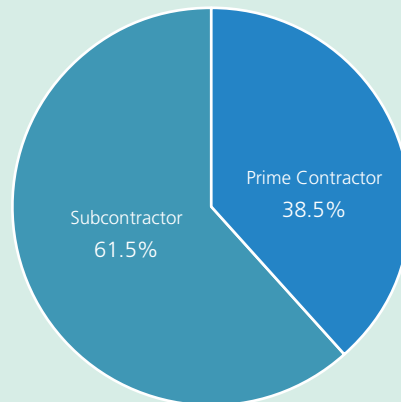
Net Sales by Region (excluding sales of Power Distribution Lining)



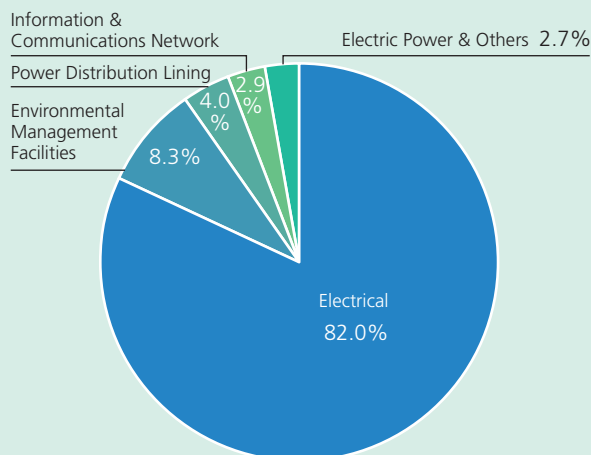
Net Sales by Facility (excluding sales of Power Distribution Lining)



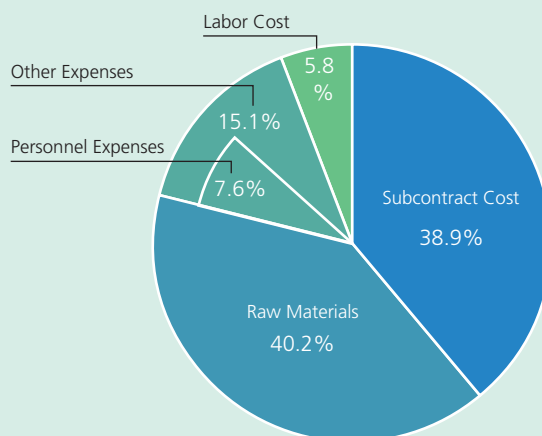
Net Sales by Prime Contractor and Subcontractor (excluding sales of Power Distribution Lining)



Construction Orders on Hand by Operation



Cost of Sales by Item



(For the year ended March 31, 2011)

Summary by Segment

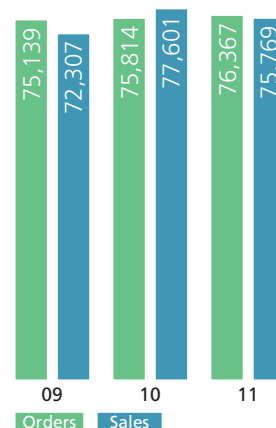
Following is a brief review of the Company's operating results by segment on a non-consolidated basis. Orders received declined in the Information & Communications Network segment and the Electric Power & Others segment, but rose in all other segments. Sales rose in the Electrical segment and Environmental Management Facilities segment, but declined in all other segments. Orders received for renovation work were up year on year for the first time in four years, rising 9.7%, to ¥103,918 million. Renovation is an area with ample potential for future expansion, considering the growing needs for reduction in CO₂ emissions, energy conservation, and environmentally friendly facilities.

Power Distribution Lining

Orders received rose 0.7% from the previous fiscal year, to ¥76,367 million, on a continued increase in orders from The Kansai Electric Power Co., Inc. for additions, upgrades and repairs to existing facilities. Sales, however, declined 2.4%, to ¥75,769 million, as a slight increase in works for Kansai Electric Power was offset by decreases in cable conduit boxes (C.C. BOX) and other projects. Work projects for Kansai Electric Power, which account for more than 95% of the segment total, have continued to increase in recent years, making this segment a stable business foundation for Kinden.

For other power distribution-related work, Kinden is utilizing its position as a regional company to increase orders from ordinary households for installation and renovation of induction heating (IH) ovens, electric water heaters and other appliances.

Orders and Sales
Millions of yen

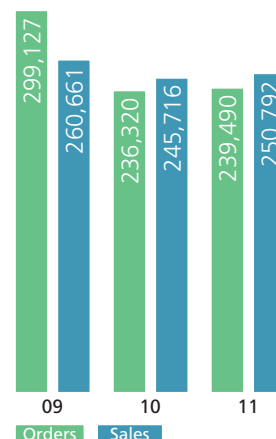


Electrical

Orders received rose 1.3% from the previous fiscal year, to ¥239,490 million, with sales up 2.1%, to ¥250,792 million. By type, orders rose 0.7% for office buildings and 73.9% for hospitals and other health and medical facilities. With the sluggish economy, however, orders continued to decline for factory works, which were down 5.1% year on year, with additional declines in commercial and recreational facilities, and educational and cultural facilities. Sales rose for office buildings, commercial and recreational facilities, and educational and cultural facilities, but declined for housing, factory works, and other areas.

Going forward, we will bolster marketing activities in areas such as health and medical facilities, and educational and cultural facilities, which are relatively unaffected by the economy, as well as in areas such as data centers, where demand remains strong. We will also take a more proactive approach to overseas projects through selection and concentration centered on Southeast Asia.

Orders and Sales
Millions of yen

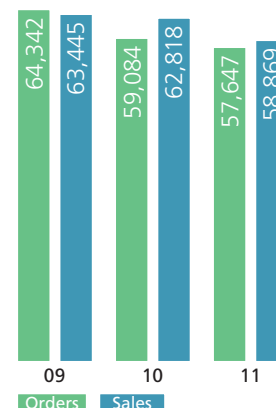


Information & Communications Network

Orders received declined 2.4% from the previous fiscal year, to ¥57,647 million, with sales down 6.3%, to ¥58,869 million. While orders for FTTH installation works from a subsidiary of Kansai Electric Power remained steady, the declines resulted mainly from a decrease in the value of works for mobile phone base stations due to the smaller scale of projects, along with fewer works related to LAN installation works at buildings and factories in the in-house infrastructure network sector.

Going forward, Kinden will actively pursue business development in such areas as construction of LTE (Long Term Evolution) and other next-generation communication networks for telecom providers, IT infrastructure at schools, hospitals, and other facilities, and the renovation market.

Orders and Sales
Millions of yen



Environmental Management Facilities

Orders received rose 2.3% from the previous fiscal year, to ¥28,194 million, with sales up 20.2%, to ¥30,265 million. The increases in both orders and sales stemmed mainly from a greater volume of air-conditioning works, mainly renovation projects.

Going forward, Kinden will actively make proposals focused on reductions in CO₂ emissions and energy conservation, and work to secure order volume for renovation and other works.

Orders and Sales
Millions of yen

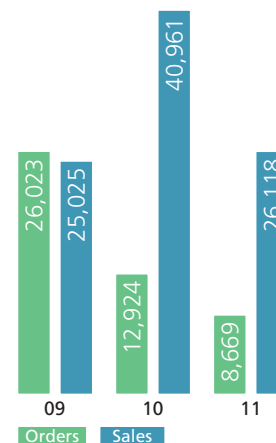


Electric Power & Others

Orders received declined 32.9% from the previous fiscal year, to ¥8,669 million, with sales down 36.2%, to ¥26,118 million. The fall in orders resulted mainly from decreases in works for Kansai Electric Power, as well as in wind power generation works and overseas projects. The decline in sales stemmed mainly from a lack of special procurements from the Kansai Electric Group companies related to large factory projects in the Sakai district in Osaka, along with the rebound from wind power generation works completed in the previous fiscal year.

Going forward, Kinden will step up marketing efforts in such areas as repair of electrical transmission facilities for Kansai Electric Power, solar power generation (increasingly drawing attention in the new energy field), and overseas infrastructure projects.

Orders and Sales
Millions of yen



New Office Opened in India

Pioneering a new market

Kinden has been a leader in overseas business expansion since the 1950s, and has completed projects in more than 80 countries around the world. For each overseas project we send highly experienced personnel who are able to meet any need, from planning and design to construction and maintenance, with operational structures and technical standards exactly the same as in Japan.

In July 2011 we established a liaison office in the city of Gurgaon in the outskirts of New Delhi, India. Many Japanese companies have moved into India in

recent years, and construction to build and expand industrial parks around New Delhi is proceeding rapidly. The development of electric power infrastructure has not kept pace with the country's brisk economic expansion, however, and we believe that this offers a tremendous business opportunity for a company like Kinden in the electrical and electric power infrastructure business. Our new office will gather information for marketing activities and breaking into the promising Indian market, and will help to further expand international orders.

Training Conducted for Local Staff of Overseas Group Companies

Program strengthens the overseas business base and enhances safety and operational quality

Each year Kinden brings local engineering staff and middle managers from overseas Group companies to Japan for technical and safety training. Education and personnel development is also conducted for a wide range of other employees, with personnel sent from

Japan to overseas offices to provide trainings sessions for managers in charge of safety and quality control, and for engineering staff. Kinden will continue to conduct such activities to strengthen its overseas business base, and to enhance safety and operational quality in overseas works.



Engineering staff receive training in Japan



Safety seminar in Hanoi, Vietnam

Manifesting Comprehensive Strengths in Building and Factory Facilities Diagnosis

Energy-saving construction and its related works are projected to grow as we advance toward a low-carbon society. Kinden is working to expand energy-saving construction and its related works as one of our priority medium-term strategies. Using our strengths in comprehensive facilities diagnostics, we can propose and implement optimal facilities renewal and energy conservation measures. Kinden supports building and factory ownership with our two decades of abundant experience and performance.

Facilities Renewal Demand Growing in Urban Areas

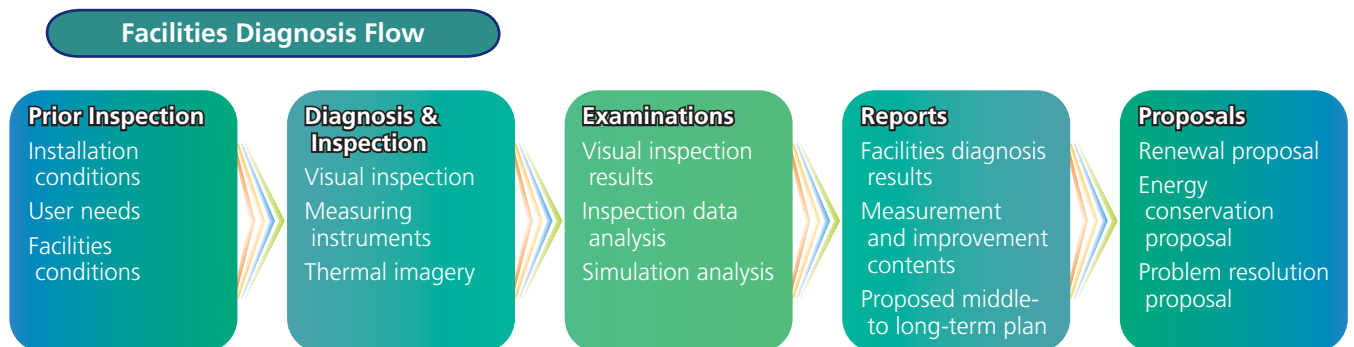
Within Japan, there are a vast number of office and other buildings in Tokyo, Osaka, Nagoya, and other urban areas that were built from the 1980s and are now around 30 years old. Demand for the renewal of outdated facilities in these buildings is expected to rise. While buildings are said to have a lifetime of 100 years, facilities become outdated much faster, especially with the recent progress in information technology (IT) and energy conservation promotion. This is providing opportunities to increase building value through facilities renewal.

Kinden has accumulated extensive experience by diagnosing facilities at over 2,000 buildings and factories since 1993. We use specialized measuring equipment in our facilities diagnoses, to earn high customer satisfaction from facilities renewal based on accurate diagnosis results. We will continue providing the best services to our customers in response to market growth.

Facilities Diagnoses without Interrupting Operations

Whenever possible, Kinden conducts facilities diagnoses while customer facilities continue operating. For example, electrical facilities are measured using visual inspection and noncontact equipment. With the exception of certain inspection items such as the use of borescopes, air-conditioning and sanitation facilities are also measured while operating without interruption. The implementation of diagnoses while facilities are operating improves customer services by saving customers economic losses from equipment interruptions, the use of maintenance and operations personnel, and equipment restart costs.

Kinden provides customers with facilities renewal and energy conservation measure proposals based on their conditions, together with our facilities diagnoses findings. Customers appreciate our unified services running from diagnosis to planning, design, construction works, and after-sales service.



Main Diagnosis Items

- Electrical equipment
- Air-conditioning & sanitation

- **Overall electrical:**
Visual inspection
- **Overall air-conditioning & sanitation:**
Visual inspection

- **Interior of each building:**
Electromagnetic field measurement

- **Air-conditioning & ventilation:**
Indoor environment measurement

- **Nearby electric equipment:**
Instantaneous voltage drop countermeasures

- **Air-conditioning & heating equipment room:**
Equipment performance assessment

- **Electric equipment, distribution board:**
Thermal diagnosis

- **Piping:**
Pipe deterioration diagnosis

- **Nearby electrical room:**
Leakage current measurement, harmonic current measurement

- **Others:**
Equipment grounding resistance measurement, power source quality measurement, illumination measurement, lighting equipment ballast deterioration diagnosis, oil-immersed transformer deterioration diagnosis, circuit breaker deterioration diagnosis

- **Others:**
Noise measurement (outdoors), water quality analysis, seismic resistance diagnosis, legal compliance confirmation

Main Policies

Kinden acknowledges that improving corporate governance is an important management goal for the Company, enabling us to bolster, speed up, and optimize our business operations and respond to changing business environments in a flexible manner. Kinden is strengthening its management system progressively by focusing on the following two key policies:

1. Improve the transparency of operations

We are striving for timely announcement of accurate and high-quality management information, and demonstrating our accountability on a continuous basis to our shareholders and investors to promote management reforms.

2. Ensure compliance

We are firmly maintaining our compliance policy with all relevant laws and regulations as well as our articles of incorporation, and will seek to expand stable profits while strictly avoiding all types of dishonest or socially unacceptable corporate behavior.

Corporate Governance System

1. Overview of the corporate governance system

- (1) The Company has adopted a Board of Auditors system. To ensure efficient management of the Company, the Standing Directors' Meeting (which meets twice monthly and consists of the standing directors, and which is also attended by the standing auditors) is delegated by the Board of Directors with the authority to make all decisions pertaining to the development of the Company's overall management policies and plans as well as the efficient promotion of business operations, except for important matters that require a decision by the Board of Directors, pursuant to provisions of the Companies Act.
- (2) Management Meetings (which are held twice a month and attended by chairman, president and vice presidents, etc.) deliberate fully on items on the agenda to be submitted to the Standing Directors' Meeting and important management policies.
- (3) The Company has adopted an executive officer system, with the aim of speeding up the decision making, enhancing the monitoring function over business execution, and enabling the executive officers in charge of specific operations to focus on their business execution. With regard to the monitoring function, the Company seeks to strengthen its supervision over business operations by organizing Board of Directors' Meetings and Standing Directors' Meetings headed by the chairman on a regular basis.
- (4) In addition to reports on business execution at Board of Directors' Meetings, the Company provides opportunities to report on and consider the status of business execution between the president and auditors, in an effort to ensure sufficient supervision over business execution.

- (5) The Company holds Executive Meetings (which meet every second month and consist of standing directors, standing auditors, general managers, managers at the head offices, and managers of branch offices) to ensure the carrying out of management policies Groupwide and the reliable flow of information within the Kinden Group. The Secretariat Department acts as a secretariat for the Executive Meetings.
- (6) The Company has instituted a Compliance Committee (which meets twice a year and is attended by chairman, president, vice presidents, and the representative of the auditors) to enhance compliance functions. It has also set up a Risk Management Committee (which meets twice a year and consists of officers in charge and heads of major divisions at the head offices) in an effort to strengthen risk management functions. In addition, the Company has established a Quality and Safety Management Committee (which meets twice a year and is attended by directors, general managers, and managers at the head offices, who are in charge of quality and safety management) to enhance quality and safety management for construction and maintenance works. The General Affairs and Legal Department serves as a secretariat for the Compliance and Risk Management Committees, while the Safety, Quality, Environment Superintendence Department plays that role for the Quality and Safety Management Committee.

2. Reasons for adopting the corporate governance system

- (1) Sixteen directors check each other, while the five auditors, including the three external auditors, carry out audits in a strict and appropriate manner.
- (2) Of the Company's five auditors, three are external auditors and one of them performs auditing work on a standing basis. The Company emphasizes such audits by the external auditors under its current structure. Based on this audit system, the Company seeks to enhance its monitoring function over management activities in cooperation with accounting auditors and the internal auditing department.

3. Status of the development of the internal control system

At a Board of Directors' Meeting held on May 15, 2006, the Company formulated basic policy for the internal control system, pursuant to provisions of the Companies Act. The General Affairs and Legal Department, which supervises the divisions relevant to internal control, revises the basic policy for internal control and provides information on it, to ensure that the internal control system works effectively in response to changes in laws and regulations and social environments. The Company has also instituted a whistle-blower system to enable the internal control system to function effectively. The Compliance Committee (which meets twice yearly) reports on and confirms the status of the internal control system and determines policies for the future to ensure that business is conducted appropriately and efficiently.

4. The number of directors on the Board of Directors

Our articles of incorporation stipulate that a minimum of three directors sit on the Board.

5. Requirements for adoption of resolutions concerning election and dismissal of directors

The Company's articles of incorporation stipulate that a resolution concerning the election of directors shall be adopted by a majority of the voting rights of shareholders in attendance who represent one-third or more of the total number of shareholders entitled to vote and that the resolution for election shall not be made by cumulative voting. Requirements for dismissal of directors shall be provided for under the Companies Act.

6. Matters to be resolved by the General Shareholders' Meeting that can be adopted by the Board of Directors

(a) Acquisition of own shares

The Company's articles of incorporation stipulate that to enable execution of a flexible capital strategy in response to changes in the operating environment, the Company may, by a resolution of the Board of Directors, acquire its own shares through market transactions.

(b) Interim dividend

The Company's articles of incorporation stipulate that to better enable the distribution of the Company's surplus to its shareholders, the Company may, by a resolution of the Board of Directors, pay a surplus dividend as an interim dividend to the shareholders or pledgees listed in the register of shareholders as of September 30 each year.

7. Requirements for adoption of special resolutions by the General Shareholders' Meeting

The Company's articles of incorporation stipulate that to ensure smooth management of the shareholders' meeting, resolutions provided for in Article 309, Paragraph 2 of the Companies Act shall

be adopted by more than two-thirds of the voting rights of the shareholders in attendance who represent one-third or more of the shareholders entitled to vote.

Status of Enhancement of the Risk Management System

The Company is instituting, in each area of responsibility, a system aimed at preventing the occurrence of risk as well as the avoidance or reduction of loss should a risk occur, by establishing Risk Management Rules and the Risk Management Committee.

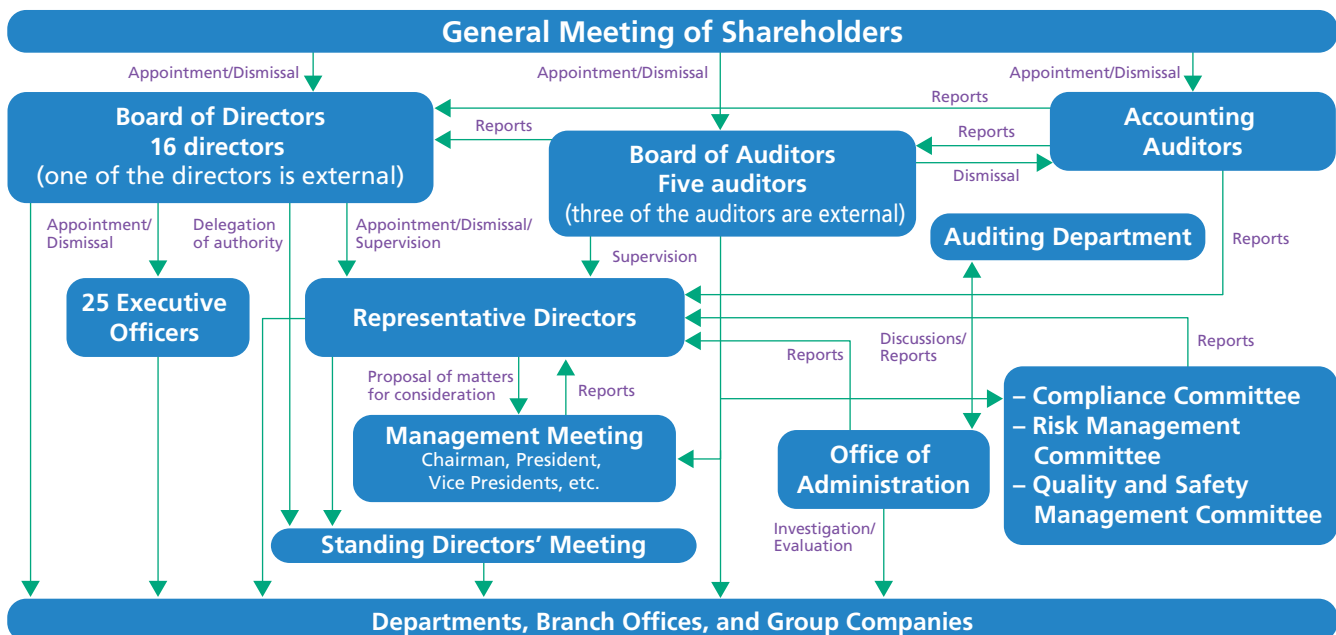
Remuneration of Directors and Auditors

Remuneration paid to the Company's directors in the 97th fiscal term (the fiscal year ended March 31, 2011) amounted to ¥753 million. Auditors' remuneration amounted to ¥113 million (including external auditors' remuneration of ¥41 million).

Remuneration for Audit Services

Remuneration paid to Osaka Audit Corporation in the 97th fiscal term (the fiscal year ended March 31, 2011) for services set forth by the Certified Public Accountants Law totaled ¥43 million. No other remuneration was paid.

Corporate Governance Structure



ISO Certification

Kinden's 15 branch offices and headquarters divisions obtained ISO9001 quality management system certification for general works by December 1999. At the same time, Kinden's Chuo Branch Office received ISO9001 certification for electric power works. By December 2001, the Office was awarded ISO14001 certification for its environmental management system as well. Among overseas affiliates, the Singapore branch of Kinden International, Ltd., the head office of which is in Hong Kong, China, obtained ISO9001 in April 2002 and ISO14001 in December 2005.

Taking advantage of this accomplishment, Kinden will implement measures to reduce environmental burden by proposing as well as promoting design and construction of environmentally friendly (resource- and energy-saving) facilities. Kinden is focusing on recycling in the construction field and, as "a company that contributes to creating a recycling oriented society," is committed to contributing to the movement toward environmental conservation.

Participation in Social Contribution Activities

Kinden actively participates in a variety of social contribution activities to help create a better living environment for local residents. Some examples are the annual cleaning of the stone walls at Wakayama Castle using Kinden's aerial platform service vehicles, and since 2010 trimming trees and removing fallen limbs at elementary schools in Wakayama Prefecture. Each business office conducts activities for its local community on an ongoing basis. At Himeji Castle, registered on UNESCO's World Heritage list and currently undergoing extensive renovations and repairs, Kinden is inspecting burned-out floodlight bulbs and cleaning the glass in lighting fixtures, as well as removing fallen leaves and other debris. We will continue to actively participate in a wide range of community activities to contribute to a better society.



Trimming trees at an elementary school in Wakayama Prefecture



Cleaning at Himeji Castle, which is undergoing the renovation work

New Energy: Eco-Friendly Energy Systems Construction

In this age of mass energy consumption, global warming, and atmospheric pollution with CO₂ emissions from the burning of fossil fuels have been a major global environmental problem, and the need to ensure the efficient use of our limited natural resources has become a global issue. So-called "New Energy" has been developed to help alleviate these problems and is attracting a great deal of attention. Kinden is actively involved in proposing and developing the implementation of eco-friendly energy systems that include solar and wind power generation facilities, fuel cells, and highly efficient co-generation systems that utilize both electricity and thermal energy.



Solar power generation facilities at Nagoya-Daini-Kanjo Expressway

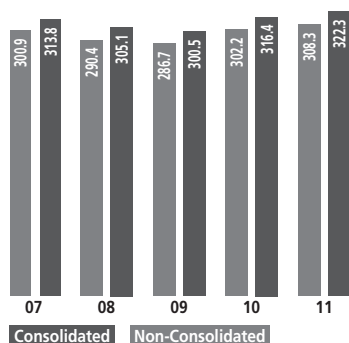
Five-Year Financial Summary

Years ended March 31

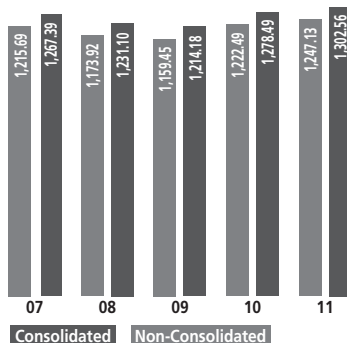
	Consolidated					Non-Consolidated				
	Millions of yen					Millions of yen				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
FOR THE YEAR										
Net sales.....	¥482,125	¥529,635	¥494,473	¥496,751	¥478,516	¥471,742	¥477,322	¥453,512	¥452,286	¥441,815
Power distribution lining.....						69,796	71,725	72,307	77,601	75,769
Electrical.....						293,342	279,040	260,661	245,716	250,792
Information & communications network.....						54,648	65,928	63,445	62,818	58,869
Environmental management facilities.....						35,789	33,803	32,072	25,188	30,265
Electric power & others.....						18,166	26,825	25,025	40,961	26,118
Operating income.....	16,843	22,479	25,156	26,341	23,413	15,035	18,449	22,967	24,159	21,559
Net income.....	9,136	11,314	9,112	13,055	13,852	8,028	9,519	9,144	12,841	13,196
Comprehensive income.....	—	—	—	—	9,850	—	—	—	—	—
Capital investment.....	3,429	3,661	5,096	4,637	4,092	2,622	2,961	4,875	2,741	2,112
Depreciation and amortization.....	4,036	4,955	5,299	5,026	5,010	3,373	4,190	4,632	4,588	4,548
Research and development expenses.....	486	496	514	486	449	483	492	508	508	448
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.....	313,878	305,121	300,513	316,406	322,304	300,900	290,427	286,740	302,280	308,314
Total assets.....	525,921	516,147	512,561	509,518	484,604	504,192	468,300	475,897	483,435	453,319
Number of shares outstanding (excluding treasury stock) (Thousands)										
Balance at end of year.....	247,514	247,399	247,306	247,267	247,219	247,514	247,399	247,306	247,267	247,219
Number of employees (Persons)*.....	8,352	9,230	9,200	9,118	9,202	6,441	6,563	6,715	6,854	6,930
Equity ratio (%).....	59.6	59.0	58.6	62.0	66.4	59.7	62.0	60.3	62.5	68.0
Return on equity (%).....	2.9	3.7	3.0	4.2	4.3	2.7	3.2	3.2	4.4	4.3
Payout ratio (%).....						40.1	33.8	35.2	30.8	26.2
Price-earnings ratio (Times).....	28.68	20.97	21.72	15.51	13.51	32.63	24.93	21.64	15.77	14.18

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

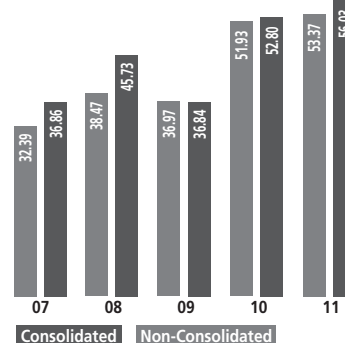
Net Assets
Billions of yen



Net Assets per Share
Yen



Net Income per Share
Yen



Management's Discussion and Analysis

RESULTS OF OPERATIONS

Consolidated results for the Kinden Group for the subject fiscal year (ended March 31, 2011) are as follows.

Net sales amounted to ¥478,516 million (US\$5,754,857 thousand), a decrease of ¥18,235 million, or 3.7%, from the previous fiscal year. In terms of earnings, operating income totaled ¥23,413 million (US\$281,576 thousand), a decrease of ¥2,928 million, or 11.1%. Net income, however, amounted to ¥13,852 million (US\$166,592 thousand), an increase of ¥796 million, or 6.1%, from the previous fiscal year.

FINANCIAL POSITION

Total assets at March 31, 2011, amounted to ¥484,604 million (US\$5,828,071 thousand), a decrease of ¥24,914 million, or 4.9%, from the end of the previous fiscal year (March 31, 2010). Current assets decreased ¥14,663 million from the end of the previous fiscal year, to ¥298,120 million. This was due mainly to decreases in cash and deposits as well as in costs on uncompleted construction contracts, which offset increases in notes receivable, accounts receivable from completed construction contracts, and other, as well as in short-term investment securities. Noncurrent assets decreased ¥10,250 million from the end of the previous fiscal year, to ¥186,483 million. This was due mainly to a decrease in property, plant and equipment, along with a decrease in valuation of investment securities.

Total liabilities at March 31, 2011, amounted to ¥162,299 million (US\$1,951,892 thousand), a decrease of ¥30,811 million, or 16.0%, from the end of the previous fiscal year. Current liabilities decreased ¥30,728 million from the end of the previous fiscal year, to ¥141,167 million. This was due mainly to a decrease in advances received on uncompleted construction contracts, which offset increases including notes payable, accounts payable for construction contracts, and other. Noncurrent liabilities decreased ¥83 million from the end of the previous fiscal year, to ¥21,132 million.

Total net assets at March 31, 2011, amounted to ¥322,304 million (US\$3,876,178 thousand), an increase of ¥5,897 million, or 1.9%, from the end of the previous fiscal year. This was due mainly to an increase in retained earnings, which offset decreases including valuation difference on available-for-sale securities. The equity ratio stood at 66.4%, a rise of 4.4 percentage points from the end of the previous fiscal year.

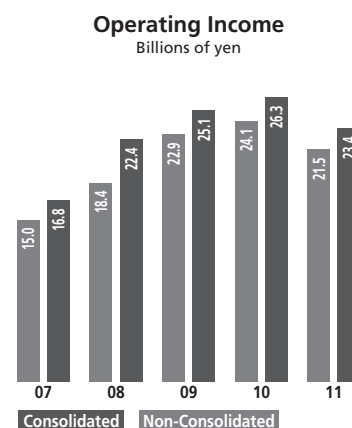
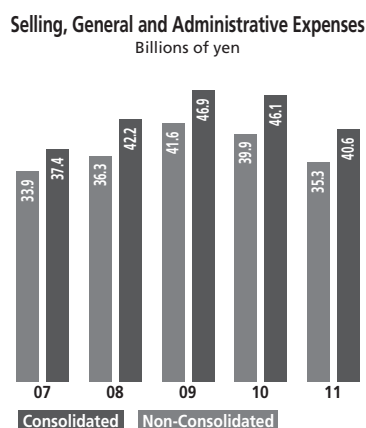
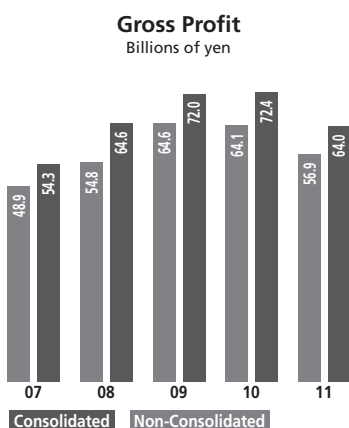
CASH FLOW ANALYSIS

Net cash provided by operating activities amounted to ¥14,450 million (US\$173,784 thousand) in the subject fiscal year, a decrease of ¥35,550 million from net cash provided of ¥50,001 million in the previous fiscal year. This mainly reflected income before income taxes and minority interests; with adjustments for depreciation; increase in notes and accounts receivable-trade; decrease in costs on uncompleted construction contracts; and decrease in advances received on uncompleted construction contracts; less income taxes paid.

Net cash used in investing activities amounted to ¥5,555 million (US\$66,810 thousand) in the subject fiscal year, an increase of ¥4,872 million from net cash used of ¥682 million in the previous fiscal year. This mainly reflected payments for purchase of investment securities; and purchase of property, plant and equipment; and proceeds from sales and redemption of investment securities.

Net cash used in financing activities amounted to ¥4,306 million (US\$51,792 thousand) in the subject fiscal year, a decrease of ¥837 million from net cash used of ¥5,143 million in the previous fiscal year. This mainly reflected cash dividends paid.

As a result, cash and cash equivalents increased ¥3,865 million (US\$46,485 thousand) in the subject fiscal year, compared with an increase of ¥44,195 million in the previous fiscal year (a difference of ¥40,329 million). Cash and cash equivalents at the end of the subject fiscal year stood at ¥98,056 million (US\$1,179,270 thousand).



RISK FACTORS

Economic Conditions

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

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

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

2. Increased materials costs

Owing to rising prices for steel, copper, and other commodities, the Group's raw materials costs have trended upward. Although the Group has sought to reduce its operating costs, if raw materials prices surge to higher levels than forecast, this may result in a deterioration in the profitability of construction work, and may lead to a negative impact on the Group's results and financial position.

3. Restrained construction investment through national and local government policy

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

4. Restrained capital investment by electric power companies

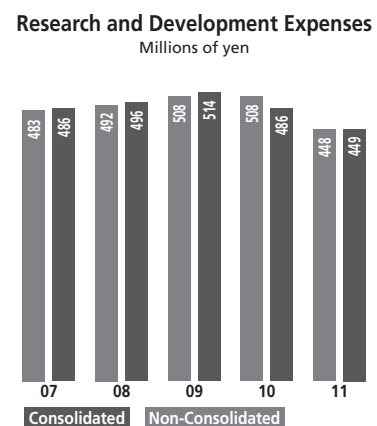
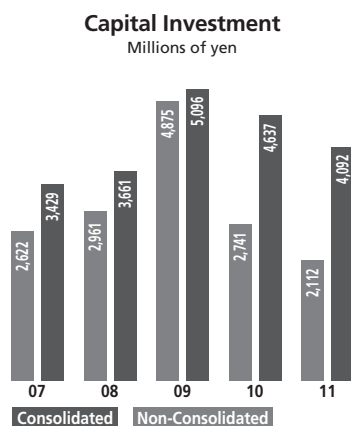
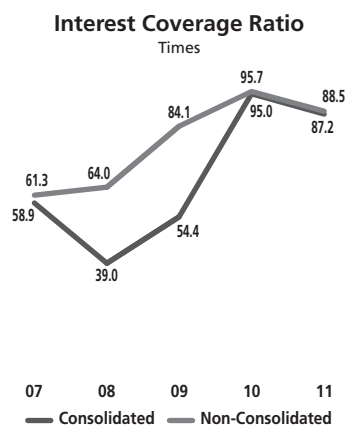
The Kinden Group receives orders and carries out power distribution lining, electric power, and other work from The Kansai Electric Power Co., Inc., a major customer. In the performance of this work, the Kinden Group faces a range of fixed costs, including labor costs and costs associated with vehicles,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

5. Changes in overseas economic conditions and regulatory environment

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

Exposure to Bad Debts Due to Customer Bankruptcies and Other Factors

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



Consolidated Balance Sheets

KINDEN CORPORATION AND SUBSIDIARIES
March 31, 2011 and 2010

ASSETS	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
CURRENT ASSETS:			
Cash and deposits.....	¥ 37,266	¥ 56,818	\$ 448,188
Notes receivable, accounts receivable from completed construction contracts and other.....	145,970	129,853	1,755,513
Short-term investment securities.....	62,000	38,000	745,640
Costs on uncompleted construction contracts.....	37,652	70,102	452,827
Other inventories.....	2,912	7,373	35,031
Deferred tax assets.....	7,711	8,346	92,747
Other.....	9,796	7,925	117,812
Allowance for doubtful accounts.....	(5,190)	(5,635)	(62,421)
Total current assets.....	298,120	312,784	3,585,338
PROPERTY, PLANT AND EQUIPMENT:			
Land.....	56,935	57,154	684,737
Buildings and structures.....	83,988	83,572	1,010,080
Machinery and equipment.....	17,893	7,313	215,194
Vehicles, tools, furniture and fixtures.....	27,516	26,866	330,926
Construction in progress.....	6	15,012	73
	186,340	189,920	2,241,011
Accumulated depreciation.....	(79,091)	(76,325)	(951,195)
Total property, plant and equipment.....	107,248	113,595	1,289,816
INVESTMENTS AND OTHER ASSETS:			
Investment securities.....	58,697	60,746	705,922
Investments in and loans to affiliates.....	3,325	3,676	39,994
Deferred tax assets.....	5,463	4,304	65,707
Other.....	19,089	21,973	229,577
Allowance for doubtful accounts.....	(7,340)	(7,562)	(88,285)
Total investments and other assets.....	79,235	83,138	952,916
Total assets.....	¥484,604	¥509,518	\$5,828,071

See the accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
CURRENT LIABILITIES:			
Short-term loans payable	¥ 16,459	¥ 16,708	\$ 197,953
Notes payable, accounts payable for construction contracts and other	64,549	60,402	776,307
Advances received on uncompleted construction contracts	26,216	51,317	315,297
Income taxes payable.....	6,721	9,140	80,834
Provision for loss on construction contracts	2,880	2,604	34,648
Provision for warranties for completed construction.....	423	333	5,090
Provision for directors' bonuses	223	221	2,692
Other.....	23,691	31,169	284,924
Total current liabilities	141,167	171,896	1,697,749
NONCURRENT LIABILITIES:			
Deferred tax liabilities	236	331	2,840
Provision for retirement benefits.....	20,099	19,975	241,728
Other	796	908	9,574
Total noncurrent liabilities	21,132	21,215	254,143
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 266,065,080 shares (2011)	26,411	26,411	317,636
Capital surplus.....	29,847	29,848	358,965
Retained earnings	274,358	264,420	3,299,565
Treasury stock	(15,863)	(15,827)	(190,781)
Total shareholders' equity	314,754	304,852	3,785,385
VALUATION AND TRANSLATION ADJUSTMENTS:			
Valuation difference on available-for-sale securities.....	8,857	12,226	106,527
Deferred gains or losses on hedges	—	(0)	—
Foreign currency translation adjustment	(1,594)	(949)	(19,172)
Total valuation and translation adjustments	7,263	11,276	87,355
MINORITY INTERESTS:	285	277	3,437
Total net assets	322,304	316,406	3,876,178
Total liabilities and net assets	¥484,604	¥509,518	\$5,828,071

Consolidated Statements of Income

KINDEN CORPORATION AND SUBSIDIARIES
For the years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Net sales of completed construction contracts	¥478,516	¥496,751	\$5,754,857
Cost of sales of completed construction contracts	414,461	424,269	4,984,502
Gross profit on completed construction contracts	64,055	72,482	770,355
Selling, general and administrative expenses	40,641	46,140	488,778
Operating income	23,413	26,341	281,576
Other income (expenses)			
Interest and dividends income	1,197	1,124	14,402
Interest expenses.....	(282)	(289)	(3,401)
Equity in earnings (losses) of affiliates	77	23	926
Provision of allowance for doubtful accounts	—	(88)	—
Gain on sales of noncurrent assets.....	284	21	3,425
Gain on sales of investment securities.....	198	91	2,383
Gain on redemption of investment securities	456	—	5,491
Impairment loss.....	(28)	(798)	(341)
Loss on valuation of investment securities.....	(1,101)	(203)	(13,245)
Other.....	842	407	10,128
Income before income taxes and minority interests	25,056	26,628	301,346
Income taxes			
Income taxes—current.....	9,915	14,997	119,242
Income taxes—deferred	1,271	(1,453)	15,296
Total income taxes	11,186	13,543	134,539
Income before minority interests	13,869	13,085	166,806
Minority interests in income (loss)	17	29	213
Net income	¥ 13,852	¥ 13,055	\$ 166,592

	Yen		U.S. dollars
	2011	2010	2011
Amounts per common share			
Net income	¥56.03	¥52.80	\$0.67
Cash dividends.....	14.00	16.00	0.16

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

KINDEN CORPORATION AND SUBSIDIARIES
For the years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Income before minority interests	¥13,869	¥13,085	\$166,806
Other comprehensive income			
Valuation difference on available-for-sale securities	(3,357)	6,260	(40,382)
Deferred gains or losses on hedges.....	0	(12)	4
Foreign currency translation adjustment.....	(652)	45	(7,849)
Share of other comprehensive income of associates accounted for using equity method	(9)	10	(116)
Other comprehensive income	(4,019)	6,304	(48,343)
Comprehensive income	¥ 9,850	¥19,389	\$118,463
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent.....	¥ 9,839	¥19,347	\$118,330
Comprehensive income attributable to minority interests.....	11	42	132

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

KINDEN CORPORATION AND SUBSIDIARIES
For the years ended March 31, 2011 and 2010

	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	Minority interests	Total net assets
Balance at March 31, 2009	266,065	¥26,411	¥29,848	¥254,826	¥(15,796)	¥ 5,965	¥11	¥ (992)	¥ 238	¥300,513
Cash dividends, ¥14.0 per share				(3,462)						(3,462)
Net income				13,055						13,055
Purchase of treasury stock.....					(33)					(33)
Disposal of treasury stock.....			(0)		2					2
Net changes of items other than shareholders' equity.....						6,260	(12)	43	39	6,331
Balance at March 31, 2010	266,065	¥26,411	¥29,848	¥264,420	¥(15,827)	¥12,226	¥ (0)	¥ (949)	¥ 277	¥316,406
Cash dividends, ¥15.5 per share				(3,832)						(3,832)
Net income				13,852						13,852
Change of scope of equity method...				(81)						(81)
Purchase of treasury stock.....					(38)					(38)
Disposal of treasury stock.....			(0)		2					2
Net changes of items other than shareholders' equity.....						(3,368)	0	(644)	8	(4,004)
Balance at March 31, 2011	266,065	¥26,411	¥29,847	¥274,358	¥(15,863)	¥ 8,857	—	¥(1,594)	¥285	¥322,304

	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	Minority interests	Total net assets
Balance at March 31, 2010	266,065	\$317,636	\$358,969	\$3,180,039	\$(190,352)	\$147,038	\$(4)	\$(11,416)	\$3,339	\$3,805,249
Cash dividends, ¥15.5 per share				(46,092)						(46,092)
Net income				166,592						166,592
Change of scope of equity method...				(975)						(975)
Purchase of treasury stock.....					(465)					(465)
Disposal of treasury stock.....			(3)		35					32
Net changes of items other than shareholders' equity.....						(40,511)	4	(7,755)	98	(48,163)
Balance at March 31, 2011	266,065	\$317,636	\$358,965	\$3,299,565	\$(190,781)	\$106,527	—	\$(19,172)	\$3,437	\$3,876,178

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KINDEN CORPORATION AND SUBSIDIARIES
For the years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 25,056	¥ 26,628	\$ 301,346
Adjustments for:			
Depreciation	5,010	5,026	60,256
Impairment loss	28	798	341
Amortization of goodwill	—	201	—
Increase (decrease) in allowance for doubtful accounts	(658)	3,464	(7,924)
Increase (decrease) in provision for loss on construction contracts	276	1,169	3,330
Increase (decrease) in provision for retirement benefits	127	3,959	1,528
Interest and dividends income	(1,197)	(1,124)	(14,402)
Interest expenses	282	289	3,401
Foreign exchange losses (gains)	160	44	1,925
Equity in (earnings) losses of affiliates	(77)	(23)	(926)
Loss (gain) on valuation of investment securities	1,101	203	13,245
Loss on valuation of membership	16	56	201
Loss (gain) on sales of property, plant and equipment	(242)	5	(2,916)
Loss on retirement of property, plant and equipment	155	153	1,874
Loss (gain) on sales of investment securities	(133)	(91)	(1,601)
Loss (gain) on redemption of investment securities	(456)	—	(5,491)
Decrease (increase) in notes and accounts receivable—trade	(16,374)	1,244	(196,921)
Decrease (increase) in costs on uncompleted construction contracts ...	32,412	36,178	389,810
Decrease (increase) in other inventories	4,528	4,511	54,457
Decrease (increase) in prepaid pension costs	394	(54)	4,745
Increase (decrease) in notes and accounts payable—trade	4,583	(16,386)	55,120
Increase (decrease) in advances received on uncompleted construction contracts	(24,963)	(11,679)	(300,221)
Other	(4,418)	8,987	(53,136)
Sub-total	25,613	63,565	308,041
Interest and dividends income received	1,200	1,133	14,431
Interest expenses paid	(282)	(300)	(3,401)
Income taxes paid	(12,080)	(14,398)	(145,287)
Net cash provided by (used in) operating activities	14,450	50,001	173,784
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments into time deposits	(2,141)	(3,589)	(25,752)
Proceeds from withdrawal of time deposits	3,149	8,933	37,883
Purchase of property, plant and equipment	(4,017)	(5,710)	(48,313)
Proceeds from sales of property, plant and equipment	543	145	6,531
Purchase of investment securities	(6,206)	(7,599)	(74,644)
Proceeds from sales and redemption of investment securities	2,823	9,803	33,957
Purchase of investments in subsidiaries	—	(53)	—
Payments for loans receivable	(43)	(592)	(527)
Collection of loans receivable	57	573	694
Other	279	(2,593)	3,359
Net cash provided by (used in) investing activities	(5,555)	(682)	(66,810)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term loans payable	(236)	(1,467)	(2,848)
Repayment of long-term loans payable	—	(58)	—
Purchase of treasury stock	(38)	(33)	(465)
Proceeds from sales of treasury stock	2	2	32
Cash dividends paid	(3,832)	(3,462)	(46,092)
Cash dividends paid to minority shareholders	(2)	(2)	(34)
Other	(198)	(121)	(2,385)
Net cash provided by (used in) financing activities	(4,306)	(5,143)	(51,792)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS			
	(723)	20	(8,695)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,865	44,195	46,485
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	94,191	49,995	1,132,785
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	¥ 98,056	¥ 94,191	\$ 1,179,270

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.

Certain reclassifications have been made in the accompanying consolidated financial statements for convenience of readers outside 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 ¥83.15 to US\$1, the fixed-market rate on March 31, 2011. 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. Summary of significant accounting policies

(a) Basis of consolidation and accounting of investments in affiliated companies

The accompanying consolidated financial statements include the accounts of the Company and all of its 23 subsidiaries. Major consolidated subsidiaries are as follows:

- Kinden Shoji Company, Limited
- Nishihara Engineering Co., Ltd.
- Kinden Electrical & Mechanical Service Company, Limited
- MECS CORPORATION
- Kinden Services Company, Incorporated
- Aleph Networks Corporation
- US Kinden Corporation
- Wasa Electrical Services, Inc.
- Kinden Pacific Corporation
- Kinden International, Ltd.
- P.T. Kinden Indonesia
- Kinden Phils Corporation
- Kinden Vietnam Co., Ltd.
- Kinden (Thailand) Co., Ltd.

All transactions and receivables/payables held by and against each other among consolidated subsidiaries are cancelled out. Consolidated net income is inclusive of the Company's equity in consolidated companies' net income/loss minus unrealized internal profit.

The equity method is applied to investments in 3 of the Company's 6 affiliates. The 3 affiliates accounted for by the equity method are as follows:

- Kinki Freight Service Company, Incorporated
- Schneider Electric Engineering Company, Limited
- Bintai Kinden Corporation Bhd.

Regarding Hankyu Ironworks Company, Limited, which was included among companies accounted for using the equity method in the previous fiscal year, the sale of a portion of the shares held in that company during the fiscal year under review reduced the Group's ownership share below the level requiring application of the equity method, so it has been excluded from this accounting treatment.

There are 3 affiliates not accounted for by the equity method:

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

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

Consolidated net income in the accompanying consolidated financial statements includes the Company's equity in current earnings/losses of these affiliated subsidiaries. Investments are stated at cost plus/minus equity in earnings/losses and dividends.

(b) Recognition of revenue and related costs

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

(c) Foreign currency translation

Domestic subsidiaries: Foreign currency denominated monetary claims and liabilities are translated at the exchange rate on the closing date. Other asset and liability items are translated at acquisition or occurrence. Revenues and expenses are translated at the historical rates at occurrence.

Overseas subsidiaries: Asset and liability items are translated at the rate of exchange in effect on the closing date of each subsidiary. Components of shareholders' equity are translated at the historical rates at acquisition or occurrence. Revenue and expense items are translated at the exchange rate in effect on the closing date of each subsidiary.

Translation differences arising out of the adoption of the above standards are presented as translation adjustments in the net assets section of the consolidated balance sheets.

(d) Cash and cash equivalents in the 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.

(e) Marketable securities and investment securities

The Group categorizes marketable securities by the holding objectives. Marketable securities held to maturity are accounted for by the cost amortization method. Other marketable securities with market values are accounted for by the fair value based on the market prices, and

the difference from market values and those values after tax-effect adjustment posted in net assets. Those without market values are accounted for at cost utilizing the moving average method. When the market price of securities with market prices falls more than 30% from the acquisition cost or, in the case of securities with no market price, when the value derived by multiplying asset value per share by the number of shares falls more than 30% from the acquisition cost, such loss in value is written off and included in gains or losses.

(f) Derivative transactions

Derivative transactions are stated using the market value method.

(g) Inventories

Cost on uncompleted construction contracts

Costs on uncompleted construction contracts are stated at cost as determined by the specific project basis.

Cumulative costs on uncompleted construction contracts are stated as costs on uncompleted construction contracts in the current assets section. Advances on uncompleted construction contracts are stated as advances on uncompleted construction contracts in the current liabilities section.

Other inventories (materials, supplies, and merchandise)

Inventories are primarily valued at cost based on the moving average approach (with balance sheet values reflecting write downs for decreased profitability).

(h) Depreciation methods for important depreciable assets

Property, plant and equipment (excluding leased assets)

Property, plant and equipment are stated at acquisition cost. The Company and its domestic subsidiaries mainly compute depreciation of property, plant and equipment based on the declining-balance method over their estimated useful lives, except that buildings and structures (excluding attached structures) acquired after April 1, 1998 are depreciated by the straight-line method. The subsidiaries abroad compute depreciation of property and equipment using the straight-line method over their estimated useful lives.

Estimated useful lives vary from 10 to 50 years for buildings and structures, and 3 to 22 years for machinery and equipment.

Maintenance and repair expenses and minor replacements are charged to income as accrued. Significant replacements and betterments are capitalized.

Leased assets related to finance leases that do not transfer ownership

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.

For leased assets related to finance leases that do not transfer ownership and began on or before March 31, 2008, accounting treatments complying with methods for ordinary lease transactions are being applied.

(i) Allowance for doubtful accounts

To make allowance for possible losses on receivable, including loans receivable and accounts receivable, the Company provided in 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 the management.

(j) 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.

(k) 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.

(l) 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.

(m) Provision for retirement benefits

In order to provide for the retirement benefits of employees, an amount based on the estimated retirement benefits liability and pension fund assets as of the end of the fiscal year has been recorded.

Actuarial differences are amortized beginning with the year following the year in which the difference was recognized. Amortization is performed using the straight-line method over a period of either 15 years or 5 years, whichever falls within the average remaining years of service of the employees when the difference was recognized.

Prior service cost is amortized using the straight-line method over a certain period (15 years, or 1 year for immaterial amounts) falling within the average remaining years of service of the employees when liabilities are incurred.

(Supplementary information)

The Company resolved on February 8, 2011 to revise its retirement benefit rules and abolish its pension rules. This gave rise to unrecognized prior service cost (reduction of the retirement benefits liability) in the amount of ¥8,458 million (US\$101,725 thousand), which will be amortized using the straight-line method over a period of 15 years.

Because the effective date of these changes is close to the consolidated account closing date, the actuarial calculation of the retirement benefits liability was performed as of the consolidated closing date and there was no impact on income or loss for the fiscal year under review.

(n) Accounting for hedging activities

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 case are met, gains and losses on interest rate swaps are accounted for in a non-standard way.

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.

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.

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.

(o) Research and development expenses

Research and development expenses are accounted for as an expense as they are incurred. Research and development costs in the years ended March 31, 2011 and March 31, 2010 were ¥449 million (US\$5,399 thousand) and ¥486 million, respectively.

(p) Income taxes

The Group accounts for income taxes based on the taxes levied in accordance with the tax regulations and other regulations of respective countries.

The Company adopted tax-effective accounting based on the asset and liability method.

(q) Per share information

Net income per share is computed based on the average number of shares of common stock issued and outstanding during each fiscal period.

Information on diluted net income per share has been omitted since there are no latent shares.

(r) Changes in important items fundamental to the preparation of consolidated financial statements

1. Accounting Standard for Asset Retirement Obligations

Beginning with the fiscal year under review, the Accounting Standards for Asset Retirement Obligations (ASBJ Statement No.18, March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No.21, March 31, 2008) are being applied.

This change has had no impact on income or loss for the fiscal year under review.

2. Accounting Standard for Equity Method of Accounting for Investments

Beginning with the fiscal year under review, the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No.16, March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No.24, March 10, 2008) are being applied.

This change has had no impact on income or loss for the fiscal year under review.

3. Accounting Standard for Business Combinations

Beginning with the fiscal year under review, the Accounting Standard for Business Combinations (ASBJ Statement No.21, December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No.23, December 26, 2008), Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7, Revised December 26, 2008), Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No.16, Portion announced on December 26, 2008), and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10, December 26, 2008) are being applied.

3. Financial instruments

For the fiscal year ended March 31, 2010

(a) State of financial instruments

1. Policies on financial instruments

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

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

2. Financial instruments and related risks and risk management measures

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

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

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

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

For foreign exchange forward contracts, hedging accounting is applied to derivatives to avoid exchange rate fluctuation risks for foreign-currency-denominated accounts payable and prospective foreign-currency-denominated transactions for the importation of

Notes to Consolidated Financial Statements

raw materials. The method for evaluating the effectiveness of hedges is discussed under "(n) Accounting for hedging activities" in "2. Summary of significant accounting policies."

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

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

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

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

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

4. Concentration of credit risk

As of the end of the fiscal year under review, 9.9% of accounts receivable were due from a single major customer.

(b) Market values of financial instruments

As of March 31, 2010, the book values appearing on the consolidated balance sheets, market values of financial instruments, and the differences between these values were as shown below. Information on those instruments for which it was impractical to determine market values is not shown (refer to Note 2).

As of March 31, 2010	Millions of yen		
	Book value	Market value	Difference
(1) Cash and deposits.....	¥ 56,818	¥ 56,818	—
(2) Notes receivable, accounts receivable from completed construction contracts and other.....	126,051	126,046	(5)
(3) Short-term investment securities and investment securities.....	97,131	96,808	(323)
Total assets	¥280,001	¥279,673	¥(328)
(4) Notes payable, accounts payable for construction contracts and other.....	60,402	60,402	—
(5) Short-term loans payable	16,708	16,708	—
Total liabilities	¥ 77,110	¥ 77,110	—
(6) Derivatives*	(0)	(0)	—

* Net receivable and payable values resulting from derivative transactions are shown. Net payables are shown in parentheses.

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

(1) Cash and deposits

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

(2) Notes receivable, accounts receivable from completed construction contracts and other

The market values of these assets were determined as the present values of individual receivables classified by time period and discounted at rates reflecting credit risk through to maturity for each receivable.

(3) Short-term investment securities and investment securities

The market values of these assets were determined based on stock exchange prices in the case of stocks, and market prices or values provided by counterparty financial institutions in the case of bonds. Negotiable deposits are short-term, so market values and book values are nearly the same. Market values for negotiable deposits, therefore, were determined to be the same as book values.

(4) Notes payable, accounts payable for construction contracts and other and (5) Short-term loans payable

These liabilities are short-term, so market values and book values are nearly the same. Market values for these liabilities, therefore, were determined to be the same as book values.

(6) Derivatives

The market values of foreign exchange forward contracts are determined based on values provided by counterparty financial institutions. Under the special accounting treatment applied to them, interest rate swaps are accounted for together with, and as part of, the related hedged short-term loans payable.

(Note 2) There are no market prices for stocks of companies that are not publicly traded (valued at ¥5,271 million (US\$56,658 thousand) on the consolidated balance sheets) and estimating future cash flows is impractical. It is, therefore, extremely impractical to determine market values for these assets, and they are not included in "(3) Short-term investment securities and investment securities."

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

As of March 31, 2010	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits.....	¥ 56,818	—	—	—
Notes receivable, accounts receivable from completed construction contracts and other...	128,631	1,222	—	—
Short-term investment securities and investment securities Held-to-maturity debt securities (Corporate bonds) .	2,500	13,010	510	—
Held-to-maturity debt securities (Negotiable certificate of deposits).....	38,000	—	—	—
Total	¥225,950	¥14,232	¥510	—

(Supplementary information)

Beginning with the fiscal year under review, the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, March 10, 2008) and the Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 10, 2008) are being applied.

For the fiscal year ended March 31, 2011

(a) State of financial instruments

1. Policies on financial instruments

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

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

2. Financial instruments and related risks and risk management measures

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

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

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

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

For foreign exchange forward contracts, hedging accounting is applied to derivatives to avoid exchange rate fluctuation risks for foreign-currency-denominated accounts payable and prospective foreign-currency-denominated transactions for the importation of raw materials. The method for evaluating the effectiveness of hedges is discussed under "(n) Accounting for hedging activities" in "2. Summary of significant accounting policies."

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

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

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

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

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

4. Concentration of credit risk

As of the end of the fiscal year under review, 8.2% of accounts receivable were due from a single major customer.

(b) Market values of financial instruments

As of March 31, 2011, the book values appearing on the consolidated balance sheets, market values of financial instruments, and the differences between these values were as shown below. Information on those instruments for which it was impractical to determine market values is not shown (refer to Note 2).

As of March 31, 2011	Millions of yen		
	Book value	Market value	Difference
(1) Cash and deposits.....	¥ 37,266	¥ 37,266	—
(2) Notes receivable, accounts receivable from completed construction contracts and other.....	140,780	140,780	—
(3) Short-term investment securities and investment securities.....	119,263	118,611	(652)
Total assets	¥297,311	¥296,659	¥(652)
(4) Notes payable, accounts payable for construction contracts and other.....	64,549	64,549	—
(5) Short-term loans payable	16,459	16,459	—
Total liabilities	¥ 81,009	¥ 81,009	—
(6) Derivatives*	—	—	—

As of March 31, 2011	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Cash and deposits.....	\$ 448,188	\$ 448,188	—
(2) Notes receivable, accounts receivable from completed construction contracts and other.....	1,693,091	1,693,091	—
(3) Short-term investment securities and investment securities.....	1,434,322	1,426,481	(7,841)
Total assets	\$3,575,602	\$3,567,760	\$(7,841)
(4) Notes payable, accounts payable for construction contracts and other.....	776,307	776,307	—
(5) Short-term loans payable	197,953	197,953	—
Total liabilities	\$ 974,260	\$ 974,260	—
(6) Derivatives*	—	—	—

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

(1) Cash and deposits

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

Notes to Consolidated Financial Statements

- (2) Notes receivable, accounts receivable from completed construction contracts and other

The market values of these assets were determined as the present values of individual receivables classified by time period and discounted at rates reflecting credit risk through to maturity for each receivable.

- (3) Short-term investment securities and investment securities

The market values of these assets were determined based on stock exchange prices in the case of stocks, and market prices or values provided by counterparty financial institutions in the case of bonds. Negotiable deposits are short-term, so market values and book values are nearly the same. Market values for negotiable deposits, therefore, were determined to be the same as book values.

- (4) Notes payable, accounts payable for construction contracts and other and (5) Short-term loans payable

These liabilities are short-term, so market values and book values are nearly the same. Market values for these liabilities, therefore, were determined to be the same as book values.

- (6) Derivatives

The market values of foreign exchange forward contracts are determined based on values provided by counterparty financial institutions. Under the special accounting treatment applied to them, interest rate swaps are accounted for together with, and as part of, the related hedged short-term loans payable.

(Note 2) There are no market prices for stocks of companies that are not publicly traded (valued at ¥4,739 million (US\$56,994 thousand) on the consolidated balance sheets) and estimating future cash flows is impractical. It is, therefore, extremely impractical to determine market values for these assets, and they are not included in "(3) Short-term investment securities and investment securities."

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

As of March 31, 2011	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits.....	¥ 37,266	—	—	—
Notes receivable, accounts receivable from completed construction contracts and other...	145,457	349	33	130
Short-term investment securities and investment securities Held-to-maturity debt securities (Corporate bonds) .	2,002	16,010	505	—
Held-to-maturity debt securities (Negotiable certificate of deposits).....	62,000	—	—	—
Total	¥246,726	¥16,359	¥538	¥130

	Thousands of U.S. dollars			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
As of March 31, 2011				
Cash and deposits.....	\$ 448,188	—	—	—
Notes receivable, accounts receivable from completed construction contracts and other...	1,749,334	4,203	404	1570
Short-term investment securities and investment securities Held-to-maturity debt securities (Corporate bonds) .	24,082	192,543	6,073	—
Held-to-maturity debt securities (Negotiable certificate of deposits).....	745,640	—	—	—
Total	\$2,967,246	\$196,747	\$6,477	\$1,570

4. Market value information for securities

1. Book values appearing on the consolidated balance sheets, market value and difference of held-to-maturity debt securities with available fair values as of March 31, 2011 and 2010, respectively

As of March 31, 2011	Millions of yen		
	Book value	Market value	Difference
Corporate bonds.....	¥18,560	¥18,109	¥(451)
Negotiable certificate of deposits...	¥62,000	¥62,000	—
Subtotal.....	¥80,560	¥80,109	¥(451)

As of March 31, 2010	Millions of yen		
	Book value	Market value	Difference
Corporate bonds.....	¥15,610	¥15,401	¥(209)
Negotiable certificate of deposits...	¥38,000	¥38,000	—
Subtotal.....	¥53,610	¥53,401	¥(209)

As of March 31, 2011	Thousands of U.S. dollars		
	Book value	Market value	Difference
Corporate bonds.....	\$223,216	\$217,790	\$(5,425)
Negotiable certificate of deposits...	\$745,640	\$745,640	—
Subtotal.....	\$968,856	\$963,431	\$(5,425)

2. Acquisition cost, unrecognized gain, unrecognized loss and book value appearing on the consolidated balance sheets regarding marketable securities classified as available-for-sale securities as of March 31, 2011 and 2010, respectively

As of March 31, 2011	Millions of yen			
	Acquisition cost	Unrecognized gain	Unrecognized loss	Book value
Equity securities	¥24,198	¥15,015	¥(910)	¥38,303
Subtotal.....	¥24,198	¥15,015	¥(910)	¥38,303

As of March 31, 2010	Millions of yen			
	Acquisition cost	Unrecognized gain	Unrecognized loss	Book value
Equity securities	¥23,699	¥19,819	¥(349)	¥43,169
Subtotal.....	¥23,699	¥19,819	¥(349)	¥43,169

As of March 31, 2011	Thousands of U.S. dollars			
	Acquisition cost	Unrecognized gain	Unrecognized loss	Book value
Equity securities	\$291,017	\$180,585	\$(10,945)	\$460,656
Subtotal	\$291,017	\$180,585	\$(10,945)	\$460,656

3. Securities classified as available-for-sale securities sold during the accounting periods ended March 31, 2011 and 2010

Accounting period ended March 31, 2011	Millions of yen		
	Proceeds from sales	Gain on sale	Loss on sale
	¥298	¥198	¥ (0)

Accounting period ended March 31, 2010	Millions of yen		
	Proceeds from sales	Gain on sale	Loss on sale
	¥271	¥91	—

Accounting period ended March 31, 2011	Thousands of U.S. dollars		
	Proceeds from sales	Gain on sale	Loss on sale
	\$3,587	\$2,383	\$(1)

4. Securities written down

Securities were written down by ¥1,101 million (US\$13,245 thousand). Among available-for-sale securities, stocks with market values and stocks without market values were written down by ¥671 million (US\$8,078 thousand) and ¥429 million (US\$5,166 thousand), respectively.

5. Derivatives

Derivative transactions for which hedge accounting was applied for the fiscal years ended March 31, 2011 and 2010.

(a) Foreign currency

For the fiscal year ended March 31, 2011

There is no corresponding items.

For the fiscal year ended March 31, 2010

Hedge accounting method	Derivative type	Millions of yen				Market value
		Hedged transaction	Contract amount	Portion exceeding 1 year		
Translation at predetermined rates	Foreign exchange forward contract					
	Purchase contract Euro	Prospective foreign-currency-denominated transactions for the importation of raw materials	¥20	—	¥19	

(Note) Market values were determined based on values provided by counterparty financial institutions.

(b) Interest rates

For the fiscal year ended March 31, 2011

There is no corresponding items.

For the fiscal year ended March 31, 2010

Hedge accounting method	Derivative type	Millions of yen			Market value
		Hedged transaction	Contract amount	Portion exceeding 1 year	
Special accounting treatment for interest rate swaps	Interest rate swap				
	Fixed payments, floating receipts		¥1,850	—	(*)

(*) Under the special accounting treatment applied to them, interest rate swaps are accounted for together with, and as part of, the related hedged short-term loans payables. Market values, therefore, are incorporated in the market values of the related short-term loans payables.

6. Accrued employees' retirement benefits and pension plans

The Company formerly had defined-benefit plans in the form of an employee pension plan, a tax-qualified pension plan, and a lump-sum employee benefit plan. The tax-qualified pension plan, however, was merged with the employee pension plan on April 1, 2011.

Some consolidated subsidiaries are enrolled in the employee pension plan, lump-sum employee benefit plan, and retirement allowance mutual aid system.

Major components of employees' retirement benefit obligation and costs, as well as basis of presentation of employees' retirement obligation, are as follows:

Matters concerning employees' retirement benefits obligation

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
a. Benefit obligation*	¥(101,159)	¥(108,292)	\$(1,216,591)
b. Market value of pension plan assets	67,168	66,534	807,801
c. Unfunded benefit obligation (a + b)	(33,990)	(41,758)	(408,790)
d. Unamortized portion of actuarial differences	22,971	22,798	276,261
e. Unrecognized prior service cost	(8,458)	—	(101,725)
f. Net amount recognized in balances sheets (c + d + e)	(19,478)	(18,959)	(234,254)
g. Prepaid pension costs	621	1,016	7,474
h. Provision for retirement benefits (f - g)	¥ (20,099)	¥ (19,975)	\$ (241,728)

* Some of consolidated subsidiaries calculate employees' retirement benefit obligation by the simple method.

Matters concerning employees' retirement cost

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
a. Service cost* **	¥ 3,734	¥ 4,238	\$ 44,909
b. Interest cost	2,136	2,109	25,696
c. Expected return	(1,318)	(1,267)	(15,861)
d. Amortization of actuarial difference	2,190	2,312	26,340
e. Amortization of prior service cost	—	10	—
f. Accrued employees' retirement cost (a + b + c + d + e)	¥ 6,742	¥ 7,404	\$ 81,085

* Excludes employees' contribution to the Corporate Pension Fund.

** Employees' retirement cost of consolidated subsidiaries that calculate employees' retirement benefits by the simple method is included in a. Service cost.

Basis of presentation of employees' retirement obligation

	2011	2010
a. Allocation of estimated severance benefit costs	Straight-line method over period	
b. Discount rate	2.0%	2.0%
c. Expected return on assets	2.0% or 1.2%	2.0% or 1.2%
d. Amortization of actuarial differences*	15 or 5 years	15 or 5 years
e. Amortization of prior service cost**	15 years or 1 year for insignificant amounts	1 year for insignificant amounts

* By the straight-line method over a set number of years, which falls within the average remaining service years of employees at the time the actuarial difference is incurred. Amortization begins from the following fiscal year.

** By the straight-line method over a set number of years within the average remaining service years of employees at the time year incurred, prior service cost is amortized.

7. Short-term borrowings and long-term debt

	Millions of yen		Thousands of U.S. dollars	Average rate
	2011	2010	2011	
Short-term loans payable	¥16,459	¥16,708	\$197,953	1.471%
Current portion of long- term loans payable	—	—	—	—
Current portion of lease obligations	384	348	4,628	—
Lease obligations (excluding current portion of lease obligation)	438	532	5,274	—
Total	¥17,283	¥17,589	\$207,856	—

8. Stock options

The Group has granted no stock options.

9. Income taxes

The factors that differentiate between statutory tax rate and effective tax rate after adopting the tax effect accounting are as follows:

	2011	2010
Statutory tax rate	40.6%	40.6%
Permanently non-deductible expenses	4.7%	4.2%
Permanently non-taxable income	(0.6%)	(0.5%)
Increase in valuation allowance	2.0%	5.3%
Others	(2.1%)	1.2%
Effective tax rate	44.6%	50.9%

Principal components of deferred tax assets and liabilities as of March 31, 2011 and 2010:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Deferred tax assets			
Allowance for doubtful accounts	¥ 4,215	¥ 4,432	\$ 50,697
Accrued expenses	3,746	3,970	45,057
Accrued enterprise tax	553	710	6,655
Provision for retirement benefits	7,989	7,665	96,084
Loss on valuation of investment securities	1,443	1,718	17,362
Loss on valuation of memberships	741	782	8,917
Impairment loss	724	745	8,709
Provision for loss on construction contracts	1,169	1,057	14,067
Unrealized gains	1,296	—	15,592
Others	3,209	4,797	38,593
Sub-total deferred tax assets	25,089	25,880	301,737
Valuation allowance	(6,699)	(6,222)	(80,575)
Total deferred tax assets	¥18,389	¥19,658	\$221,162
Deferred tax liabilities			
Valuation difference on available-for-sale securities	(5,175)	(7,116)	(62,242)
Reserve for advanced depreciation of noncurrent assets	(66)	—	(794)
Others	(208)	(221)	(2,511)
Total deferred tax liabilities	¥ (5,450)	¥ (7,337)	\$(65,548)
Net deferred tax assets	12,939	12,320	155,614

10. Asset Retirement Obligation

For the fiscal year ended March 31, 2011

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.

11. Rental and other real estate

For the fiscal year ended March 31, 2011

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

For the fiscal year ended March 31, 2010

Beginning with the fiscal year under review, the Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No. 20, November 28, 2008) and the Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No. 23, November 28, 2008) are being applied. For the fiscal year under review, disclosures regarding rental and other real estate have been omitted due to lack of materiality.

12. Shareholders' equity

In accordance with the Companies Act, the Company records more than half of the issue price of new shares as common stock and the remainder as additional paid-in capital. Additional paid-in capital, which is included within capital surplus, totaled ¥29,657 million (US\$356,671 thousand) as of March 31, 2011 and 2010. Capital surplus is inclusive of gain on sale of treasury stock, which amounted to ¥190 million (US\$2,293 thousand).

In accordance with the Companies Act, the Company provides for an earned reserve. Under the Companies Act, which came into effect in May 2006, the Company is required to provide for earned reserve in an amount equal to 10% of appropriations of retained earnings until the sum of this reserve and additional paid-in capital equals to 25% of common stock. The Company has already provided earned reserve equal to 25% of common stock. Earned reserve, which is included in retained earnings, totaled ¥6,602 million (US\$79,409 thousand) as of March 31, 2011 and 2010.

Appropriation of retained earnings for the fiscal year ended March 31, 2011, was approved by the Annual General Meeting of Shareholders held on June 28, 2011, and subsequently recorded in the Company's accounts. This appropriation will be reflected in the following fiscal year's consolidated financial statements.

To enable the Company to carry out a flexible capital policy that can respond to changes in the operating climate, the Company undertakes purchases of treasury stock in accordance with the provisions of the Companies Act.

13. Per share information

	Yen		U.S. dollars
	2011	2010	2011
Net assets	¥1,302.56	¥1,278.49	\$15.66
Net income	56.03	52.80	0.67

Calculation formulas:

Net assets per share = (Total net assets – Minority interests)/Number of shares outstanding at year-end (excluding treasury stock)

Net income per share = Net income/Average number of shares outstanding (excluding treasury stock)

As of March 31, 2011:

Net assets per share: ¥1,302.56 = (¥322,304 million – ¥285 million)/247,219 thousand shares

Net income per share: ¥56.03 = ¥13,852 million/247,246 thousand shares

14. Leases

For leased assets related to finance leases that do not transfer ownership and began on or before March 31, 2008, accounting treatments complying with methods for ordinary operating lease transactions are being applied.

15. Impairment losses

For the fiscal years ended March 31, 2011 and 2010, the Group recorded the following impairment losses for asset groups.

For the fiscal year ended March 31, 2011

Application	Location	Type	Millions of yen	Thousands of U.S. dollars
Idle assets	Kinki region:			
	5 properties	Land	¥18	\$221
	Other: 5 properties	Land	9	119
Total			¥28	\$341

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

Idle asset book values were written down to recoverable values in light of ongoing land price declines. Impairment losses in the amount of ¥28 million (US\$341 thousand) were recorded.

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

For the fiscal year ended March 31, 2010

Application	Location	Type	Millions of yen
Idle assets	Kinki region:		
	4 properties	Land	¥108
	Other: 6 properties	Land	11
Operating assets	Chugoku region:		
	1 property	Construction in progress	678
Total			¥798

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. Operating asset book values were written down to recoverable values based on evaluations of business profitability. Impairment losses totaled ¥798 million. Of that total, ¥120 million was for land and ¥678 million was for construction in progress.

Recoverable values of idle assets were determined based on net sales prices calculated as appraised values determined mainly in accordance with real estate appraisal standards, less estimated disposal costs. Recoverable values of operating assets were determined based on values in use, with future cash flows discounted at 1.6%.

16. Cash and cash equivalents

Reconciliation of cash and cash equivalents in consolidated cash flow statements to balance sheets:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Cash deposit.....	¥37,266	¥56,818	\$ 448,188
Deposits with maturities longer than 3 months.....	(1,210)	(627)	(14,558)
Short-term investment with maturities within 3 months after the date of acquisition	62,000	38,000	745,640
Cash and cash equivalents	¥98,056	¥94,191	\$1,179,270

17. Contingent liabilities

The Company was contingently liable as a guarantor of ¥20 million (US\$241 thousand) to a customer as of March 31, 2011.

The Group considers that there was no significant credit risk as of March 31, 2011.

18. Related party transactions

The Company is an affiliate of the Kansai Electric Power Co., Inc.

As of March 31, 2011, Kansai Electric Power directly held 36.2% of the Company's outstanding stock and indirectly held 6.0% of the Company's outstanding stock.

As for the relations between the Company and Kansai Electric Power, the Company receives orders from Kansai Electric Power for power distribution, transmission line construction and other projects, and there are directors who serve on the boards of both companies. Construction contracts for electrical projects orders are signed following negotiations based on appropriate prices, reflecting market prices and other factors.

Major transactions and accounts receivable with Kansai Electric Power are as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Principal transactions			
Net sales of completed contracts...	¥81,572	¥83,033	\$981,029
Construction material purchase...	13,246	14,475	159,309
Sales of construction materials, etc.	15	11	187
Balance			
Accounts receivable from completed construction contracts	11,852	12,818	142,538
Advances received on uncompleted construction contracts	899	873	10,817
Accounts payable for construction contracts	1,371	1,371	16,493
Accounts receivable—other	0	1	8

19. Segment information

For the fiscal year ended March 31, 2011

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

(Supplementary information)

Beginning with the fiscal year under review, the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, Revised March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No.20, March 21, 2008) are being applied.

(a) Related Information

(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. The Company, therefore, has not provided information by product and service.

(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. The Company, therefore, has not provided information by geographic area.

(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. The Company, therefore, has not provided information on property, plant and equipment by geographic area.

(3) Information for main customers

Customer Name	Net sales		Related segment
	Millions of yen	Thousands of U.S. dollars	
The Kansai Electric Power Co., Inc.	¥82,484	\$991,999	Construction Business

The Company has only one reportable segment, the Construction Business, and, therefore, does not report impairment losses on non-current assets by segment.

For the year ended March 31, 2010

In the fiscal years ended March 31, 2010, the Construction Business accounted for more than 90% of sales, operating income and assets of all business segments of the Company. Accordingly, the Company does not provide business segment information.

In the fiscal years ended March 31, 2010, Japan accounted for more than 90% of sales and assets of all geographic segments of the Company. Accordingly, the Company does not provide geographic segment information.

In the fiscal years ended March 31, 2010, sales of overseas accounted for less than 10% of the total of consolidated net sales. Accordingly, the Company does not provide overseas sales information.

20. Subsequent event

The Cash dividends of the Company's retained earnings in respect of the year ended March 31, 2011, were approved at the shareholders' meeting of the Company held on June 28, 2011:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥8.0 per share)	¥1,977	\$23,785

Report of Independent Certified Public Accountants

OSAKA AUDIT CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
3-6, 2-CHOME, KITAHAMA, CHUO-KU
OSAKA 541-0041, JAPAN

To the Board of Directors of
KINDEN CORPORATION

We have audited the consolidated balance sheets of KINDEN CORPORATION and its subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of KINDEN CORPORATION and its consolidated subsidiaries as of March 31, 2011 and 2010 and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

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

Osaka Audit Corporation

June 28, 2011
Osaka Audit Corporation

Non-Consolidated Balance Sheets

KINDEN CORPORATION
March 31, 2011 and 2010

ASSETS	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
CURRENT ASSETS:			
Cash and deposits.....	¥ 19,208	¥ 38,867	\$ 231,011
Notes receivable-trade	6,776	7,356	81,499
Accounts receivable from completed construction contracts	123,584	106,887	1,486,282
Short-term investment securities	62,000	38,000	745,640
Costs on uncompleted construction contracts	34,167	76,565	410,917
Raw materials and supplies	2,625	7,200	31,576
Deferred tax assets.....	7,285	7,908	87,623
Other.....	8,724	6,086	104,924
Allowance for doubtful accounts.....	(5,964)	(4,605)	(71,735)
Total current assets	258,408	284,266	3,107,739
PROPERTY, PLANT AND EQUIPMENT:			
Land	56,170	56,172	675,528
Buildings and structures	78,450	77,939	943,481
Machinery and equipment	1,698	1,735	20,432
Vehicles, tools, furniture and fixtures.....	24,202	23,156	291,071
Construction in progress.....	2	534	28
	160,524	159,538	1,930,542
Accumulated depreciation	(71,593)	(68,861)	(861,020)
Total property, plant and equipment	88,930	90,676	1,069,522
INVESTMENTS AND OTHER ASSETS:			
Investment securities.....	56,822	58,660	683,370
Investments in and loans to affiliates.....	37,111	37,650	446,318
Deferred tax assets.....	4,366	3,727	52,508
Other.....	16,885	19,401	203,074
Allowance for doubtful accounts.....	(9,204)	(10,947)	(110,702)
Total investments and other assets	105,980	108,491	1,274,570
Total assets	¥453,319	¥483,435	\$5,451,832

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
CURRENT LIABILITIES:			
Short-term loans payable	¥ 15,100	¥ 14,970	\$ 181,599
Notes payable–trade	1,229	1,536	14,789
Accounts payable for construction contracts	54,170	49,864	651,483
Advances received on uncompleted construction contracts	23,282	58,175	280,004
Income taxes payable.....	6,159	8,480	74,081
Provision for loss on construction contracts.....	2,829	2,604	34,026
Provision for warranties for completed construction.....	271	158	3,259
Provision for directors' bonuses	127	132	1,535
Other.....	21,951	25,409	263,996
Total current liabilities	125,121	161,329	1,504,774
NONCURRENT LIABILITIES:			
Provision for retirement benefits.....	18,734	18,469	225,304
Provision for loss on guarantees	—	160	—
Other	1,149	1,195	13,822
Total noncurrent liabilities	19,883	19,825	239,126
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 266,065,080 shares (2010)	26,411	26,411	317,636
Capital surplus.....	29,847	29,848	358,965
Retained earnings	259,008	249,645	3,114,958
Treasury stock.....	(15,863)	(15,827)	(190,781)
Total shareholders' equity	299,404	290,077	3,600,779
VALUATION AND TRANSLATION ADJUSTMENTS:			
Valuation difference on available-for-sale securities.....	8,909	12,204	107,151
Deferred gains or losses on hedges	—	(0)	—
Total valuation and translation adjustments	8,909	12,203	107,151
Total net assets	308,314	302,280	3,707,930
Total liabilities and net assets	¥453,319	¥483,435	\$5,451,832

Board of Directors and Auditors

As of June 28, 2011

Chairman:	NORHIKO SAITO
------------------	---------------

President:	KUNHIKO FUJITA
-------------------	----------------

Vice Presidents:	MICHIYUKI HASHIMOTO KATSUTOSHI ITO TADAHIKO OHISHI MITSUNORI KAWAGUCHI
-------------------------	---

Directors:	KOUICHI ITO** YUKIKAZU MAEDA** TOSHIO FUJII** EIJI KAWAGOE** TETSU SHIOTA* SUMIO URASHIMA* HIDETAKA MAEDA* YOSHIO OHNISHI* MASAZUMI FUJISHIMA HARUNORI YOSHIDA
-------------------	---

Standing Statutory Auditors:	NAOJI WAKAYAMA SEISHIRO TANABE
-------------------------------------	-----------------------------------

Statutory Auditors:	KENJI KOBAYASHI MASAFUMI IKARI HIDEKI TOYOMATSU
----------------------------	---

** Senior managing executive officer, * Managing executive officer

Name:	KINDEN CORPORATION
Date of establishment:	August 26, 1944
Osaka head office:	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: 3-1-1, Saganakadai, Kizugawa, Kyoto 619-0223, Japan
Training centers:	Kinden Gakuen: 12-77, Imazu-Kusugawa-cho, Nishinomiya, Hyogo 663-8222, Japan Human Resources Development Center: 1-21, Takahana, Inzai, Chiba 270-1342, Japan
Capital:	¥26,411,487,018 (As of March 31, 2011)
Construction business license:	Construction License of the Minister of Land, Infrastructure, Transport and Tourism Special and Ordinary Construction License—23, No. 114
Employees:	7,064 (As of March 31, 2011)
URL:	http://www.kinden.co.jp/
Business areas:	Construction, installation, and engineering
Electrical	Power generation and substation facilities, overhead power transmission and distribution facilities, underground power transmission and distribution facilities, wind power generation facilities, electrical facilities for nuclear power generation, building electrical facilities, electrical factory facilities, public electrical facilities, solar power generation facilities, stage and theater facilities, explosion-proof electrical facilities, disaster prevention/crime prevention facilities, and electrical railroad facilities
Instrumentation	Building instrumentation systems, factory instrumentation systems, facility instrumentation systems, and power plant instrumentation systems
Information and communications	Facilities and equipment for information and telecommunications businesses, facilities and equipment for CATV businesses, wireless communication systems for administration of disaster prevention, Internet systems, Intranet systems, LAN systems, telephone systems, image transmission and display systems, information processing systems, and security systems
Air-conditioning and sanitation	Air-conditioning systems, ventilation, water supply, drainage and sanitary plumbing, fire-extinguishing systems, chilling and refrigerating systems, water treatment systems, industrial waste processing systems, air purification systems, district heating and cooling systems, cogeneration systems, medical gas supply systems, and waterworks
Interiors	System ceilings, metal ceilings, free access floors, partitions, partial interiors, interior furnishings, and small-scale construction
Civil engineering	Survey and investigation, civil engineering structure, CAB, land development, road construction, C.C. BOX, and paving
Other	Painting, mechanical installation, gardening, and steel structures

OVERSEAS OFFICES

Hong Kong Office

Singapore Office

Guam Office

Saipan Office

Egypt Office

Taiwan Office

Dubai Office (UAE)

Shanghai Liaison Office
(China)

India Liaison Office

OVERSEAS SUBSIDIARIES AND AFFILIATES

US Kinden Corporation

2908 Kaihikapu Street, Honolulu, Hawaii 96819-2096, U.S.A.

Wasa Electrical Services, Inc.

2908 Kaihikapu Street, Honolulu, Hawaii 96819-2096, U.S.A.

Kinden Pacific Corporation

Airport Industrial Center, 165 Skyline Drive, Suite 400, Tamuning, Guam 96931, U.S.A.

Kinden International, Ltd.

13F Tamson Plaza No.161 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong, China

P.T. Kinden Indonesia

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

Kinden Phils Corporation

5th Floor, ODC International Plaza, 219 Salcedo St., Legaspi Village, Makati City, Philippines

Kinden Vietnam Co., Ltd.

7th Floor, KINH DO TOWER, 93 Lo Duc St., Hai Ba Trung District, Hanoi, Vietnam

Kinden (Thailand) Co., Ltd.

Room No. 1001-3, 10th Floor, Lertpanya Bldg., 41 Soi Lertpanya, Sri-Ayuthaya Road, Kwaeng Thanon-Phayathai, Khet Ratchatewee, Bangkok 10400, Thailand

Bintai Kinden Corporation Bhd.

43-0-2, Jalan 1/48A, Sentul Perdana, Bandar Baru Sentul, 51000 Kuala Lumpur, Malaysia

DOMESTIC NETWORK

Osaka Head Office

Tokyo Head Office

Kyoto Institute

Kinden Gakuen

Human Resources Development Center

Hokkaido Branch Office

Sub-branch Offices: Tomakomai, Hakodate, Kushiro, Asahikawa

Tohoku Branch Office

Sub-branch Offices: Yamagata, Iwate, Aomori, Akita, Fukushima

Tokyo Branch Office

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

Yokohama Branch Office

Sub-branch Office: Atsugi

Chubu Branch Office

Sub-branch Offices: Toyota, Nishimikawa, Gifu, Mie, Ise, Nabari, Shizuoka, Hamamatsu, Numazu, Toyama, Kanazawa, Fukui, Nagano

Shiga Branch Office

Sub-branch Offices: Rittou, Otsu, Takashima, Hikone, Youkaichi

Kyoto Branch Office

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

Osaka Branch Office

Chuo Branch Office

Sub-branch Offices: Chuo, Kita-Osaka, Hokusetsu, Takatsuki, Kami-Yodogawa, Nanba, Higashi-Osaka, Minami-Osaka, Kishiwada, Kongo, Wakasa, Nagoya, Information & Communications

Nara Branch Office

Sub-branch Offices: Koriyama, Sakurai, Tenri, Chuwa, Nara, Takada

Wakayama Branch Office

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

Kobe Branch Office

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

Himeji Branch Office

Sub-branch Offices: Ako, Himeji, Nishiharima, Kakogawa, Yashiro, Toyooka, Takasago

Chugoku Branch Office

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

Shikoku Branch Office

Sub-branch Offices: Ehime, Niihama, Tokushima, Kochi

Kyushu Branch Office

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

DOMESTIC SUBSIDIARIES AND AFFILIATES

Kinden Shoji Company, Limited

Nishihara Engineering Co., Ltd.

Kinden Electrical & Mechanical Service Company, Limited

Kinden Nagoya Service Company, Incorporated

MECS CORPORATION

MECS Nara Corporation

Kinden Nishinohon Service Company, Incorporated

Kinden Services Company, Incorporated

Kinden Keiji Service Company, Incorporated

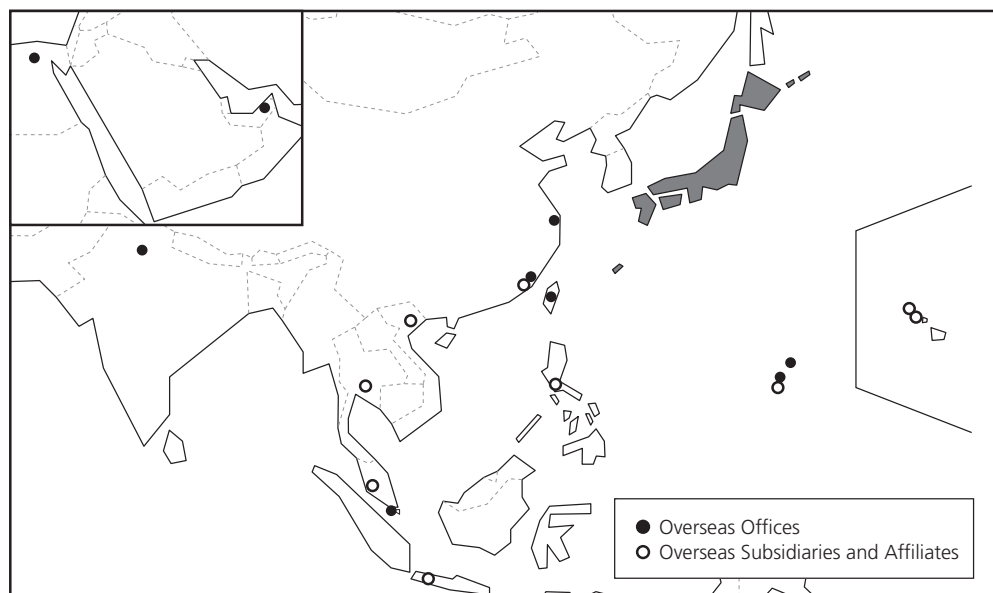
Kinden Hyogo Service Company, Incorporated

Aleph Networks Corporation

Nishihara Construction Co., Ltd.

Estanine Co., Ltd.

Kinki Freight Service Company, Incorporated



KINDEN CORPORATION

OSAKA HEAD OFFICE

2-3-41, HONJO-HIGASHI, KITA-KU,
OSAKA 531-8550, JAPAN

TOKYO HEAD OFFICE

2-1-21, KUDAN-MINAMI, CHIYODA-KU,
TOKYO 102-8628, JAPAN

URL

<http://www.kinden.co.jp/>