ANNUAL REPORT

2015

Year Ended March 31, 2015

KINDEN CORPORATION

Kinden

PROFILE

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

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

Kinden's strength lies in **our integrated strengths**, which bring together cross-departmental intellectual capabilities, supported by **our technological capabilities** and **our overseas strategy** that will underpin future growth. (See pages 4–5.)

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

CONTENTS

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

MESSAGE from the President

Business Results in the Year Ended March 2015

Amid a difficult operating environment, although sales declined we succeeded in boosting income.

During the fiscal year ended March 2015, the Japanese economy was characterized by a modest overall recovery, as government economic stimulus measures and monetary easing supported rising share prices and yen depreciation, with corporate earnings and income levels showing signs of improvement. Nevertheless, the economy remained affected by lackluster personal consumption stemming from the April 2014 consumption tax hike.

In the construction industry, public works remained firm and private-sector capital expenditure trended toward recovery. Nevertheless, the operating environment remained problematic, as rising labor costs negatively affected earnings.

Under these conditions, the Kinden Group continued applying its comprehensive capabilities in proactively sales activities. The Group worked to respond accurately to increasingly sophisticated customer needs amid flourishing investments in the new construction of office buildings centered in the metropolitan area and the Chubu region, large-scale logistics facilities in suburban areas, and data centers. Although net sales fell on both a consolidated and a non-consolidated basis, as the result of our ongoing efforts to curtail cost of sales, bolster productivity and raise operating efficiencies, the Group posted year-on-year increases in both operating income and net income.

Consolidated net sales declined 9.0% from the preceding fiscal year, to ¥467,972 million. Operating income increased 14.1%, to ¥29,325 million, and net income expanded 25.4%, to ¥20,552 million, resulting in ROE of 5.7%, up from 4.8 percentage points in the previous term.

On a non-consolidated basis, net sales amounted to ¥403,363 million, down 10.0%, while operating income grew 8.3%, to ¥22,464 million and net income rose 22.3%, to ¥16,083 million.

The primary reasons for lower sales were a business suspension order the Group was issued with regard to construction for general customers and the fact that an increase in the number of larger projects compared with previous years limited progress in boosting turnover under the percentage-of-completion method. A higher gross profit margin on completed construction projects was the main reason for the rise in operating income. A reduced tax rate was the principal factor behind the high percentage growth in net income.

Net income per share increased ¥20.75 year on year on a consolidated basis, to ¥94.67. On a non-consolidated basis, it rose ¥14.80, to ¥74.09.

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

Medium- to Long-Term Management Strategy

We will leverage Group strengths as we pursue strategies aimed at further entrenching the Kinden Group.

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

To achieve these goals, we have launched a business plan with a long-term perspective focusing on the four pillars of "contributions to the power infrastructure business," "further strengthening of community-focused business activities," "further expansion in the Greater Metropolitan Area" and "long-term expansion overseas." We are undertaking sound corporate activities to achieve these aims, while ensuring safety and quality, and conducting compliance-based management.

With regard to the pillar of "further expansion in the Greater Metropolitan Area," through the Metropolitan Business Promotion Office that we set up in 2014 we have been working proactively to generate business surrounding a forecast surge in construction that is expected to peak from 2018 to 2019 for facilities related to the Tokyo Olympic and Paralympic Games, scheduled for 2020. We are also endeavoring to further boost productivity with the aim of augmenting our construction management and construction responsiveness capabilities.

Concerning the pillar of "long-term expansion overseas," Kinden is strengthening its revenue base in terms of both quality and quantity with an emphasis on Southeast Asia, which continues to be characterized by robust facility investment. We are undertaking efforts to raise our profile in the region as we promote further globalization and strive to expand our overseas business to ¥40.0 billion.

Sustainable Increases in Value

We are working to further enhance corporate governance.

The Company recognizes the strengthening of corporate governance as an area of topmost importance in order to reinforce, accelerate and ensure the appropriateness of business execution, as well as to respond expeditiously to changes in the business environment. Accordingly, we have set two priority measures: increasing the transparency of operations and thoroughly strengthening compliance.

Furthermore, to contribute to sustainable corporate growth and augment corporate value over the medium to long term, we are complying appropriately with the new Corporate Governance Code, which went into effect on June 1, 2015.

Consolidated Financial Highlights

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2014 and 2015

	Millions of yen		YoY change	Thousands of U.S. dollars*
	2014	2015		2015
Net sales	¥514,357	¥467,972	(9.0)%	$3,894,257
Operating income	25,691	29,325	14.1%	244,031
Net income	16,393	20,552	25.4%	171,024
Total assets	518,464	542,246	4.6%	4,512,328
Total net assets	341,364	377,659	10.6%	3,142,709
Return on equity (ROE)	4.8%	5.7%	0.9pt	—

	Yen			U.S. dollars*
Net income per common share	¥73.92	¥94.67	28.1%	$0.78
Cash dividends per common share	18.00	20.00	11.1%	0.16

* U.S. dollar amounts are computed using the March 31, 2015 exchange rate of ¥120.17=US$1.

Return to Shareholders and Dividend Policy

We aim to provide stable and sustainable dividends and are striving to increase liquidity of the Company's shares and expand our investor base.

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

We paid total dividends of ¥20 per share for the fiscal year ended March 2015. This comprises an ordinary interim dividend of ¥7 per share and a year-end dividend of ¥13 per share that includes a ¥7 ordinary dividend and a special dividend of ¥6 per share based on our earnings performance.

From the fiscal year ending March 2016, we plan to change our dividend approach. We will provide an interim dividend corresponding to half the total dividend for the year calculated on the basis of our business performance forecast. The year-end dividend will be based on actual performance for the entire year, less the interim dividend amount already paid. At the same time, from the standpoint of ensuring stable and sustainable shareholder dividends we have set ¥14 per share as our minimum annual dividend, and we intend to maintain a dividend payout ratio of approximately 30%. In line with this policy, for the fiscal year ending March 2016 we anticipate an annual dividend of ¥20 per share, comprising an interim dividend of ¥10 per share and a year-end dividend of the same amount.

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

Outlook and Strategies for the Fiscal Year Ending March 2016

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

For the fiscal year ending March 2016, we forecast consolidated net sales of ¥480,000 million, up 2.6% year on year; operating income of ¥28,000 million, down 4.5%; and net income of ¥20,000 million, down 2.7%. On a non-consolidated basis, we anticipate net sales of ¥415,000 million, up 2.9%; operating income of ¥23,000 million, up 2.4%; and net income of ¥17,000 million, up 5.7%.

Looking at the operating environment going forward, we expect personal consumption to rise on improving employment and income conditions. We also believe that corporate production levels and facility investment will expand. Nevertheless, we consider the likelihood of a full-fledged recovery to be opaque.

The construction industry is likely to see demand for large-scale redevelopment in the metropolitan area, but such projects are likely to be affected by construction delays caused by a shortage of skilled workers, as well as rising labor costs. Such factors are feared to have a downward effect on business results.

Given this situation, the Kinden Group is positioning the fiscal year ending March 2016 as the "year for reinforcing our base of operations." To this end, we have established the three key policies of "augmenting the quality of our operations," "boosting productivity" and "enhancing communications." Through initiatives stemming from these policies, we will leverage our strengths and work proactively to expand our operations.

Based on a strong conviction that the Company's strength lies in its quality, we will endeavor to respond accurately to customers' increasingly diverse, sophisticated and complex needs. We will also step up thorough Groupwide safety and compliance efforts in a bid to augment corporate value.

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

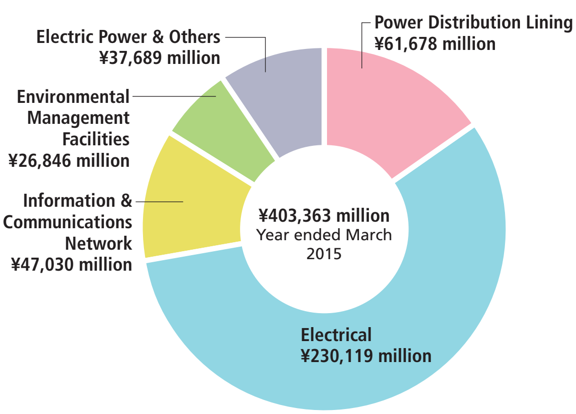
June 2015

Yukikazu Maeda
President

Our STRENGTHS

In addition to delivering high quality services in each of its five business segments, Kinden comprehensively meets the needs of diverse customers through collaboration that transcends business segments. These integrated strengths, the technical capabilities that underpin them and the overseas strategy that the Company has stepped up in order to support medium- and long-term growth in the future are Kinden's strengths.

Net Sales by Segment
(Non-Consolidated)



1. Our Integrated Strengths

As an integrated electrical and facility engineering company, Kinden brings together technological capabilities and know how in diverse fields, primarily electrical facilities and including telecommunications, air conditioning and sanitation. Our strength is our ability to provide a one-stop service for all of our customers' needs.

Power Distribution Lining

Kinden provides construction and maintenance works of the power distribution facilities (power poles, distribution lines, lines to the home, electric power meters, etc.) used by The Kansai Electric Power Co., Inc. to deliver power directly to 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 electric water heater and electrical system upgrading works for individual residences.

Electrical

Kinden provides consistent support for proposals, planning, design, construction, and maintenance of electrical systems installation in various types of facilities, including buildings and factories. The Company also conducts equipment diagnosis relating to renovation and other works and proposes engineering solutions for energy-saving as well as for realizing an optimum energy environment. Furthermore, we undertake construction of internal facilities at offices, large-scale housing complexes and other structures requiring functionality and a design sense.

Information & Communications Network

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

Environmental Management Facilities

Kinden performs building air conditioning, sanitary equipment and other environment-related construction. To lower environmental impact, the Company is also placing an emphasis on energy savings, resource reduction and recycling, in the aim of realizing a recycling-oriented society that is environmentally symbiotic.

Electric Power & Others

Kinden primarily provides electrical construction and maintenance works for power plants, substations, and overhead and underground transmission lines and other facilities for electric power companies. The Company has also focused on the new energy sector, a recent focus of attention that includes wind and solar power generation, and on the construction of infrastructure mainly in Southeast Asia.

2. Our Technological Capabilities

A high level of technological capabilities is also one of Kinden's strengths. Kinden gives high priority to technical training for employees, and not only in Japan. With training in Japan for local staff of its overseas affiliates as well as the provision of training delivered onsite at our overseas locations, Kinden has nurtured engineers to play active roles in various countries.

In addition, Kinden employees have obtained excellent results at WorldSkills Competitions.

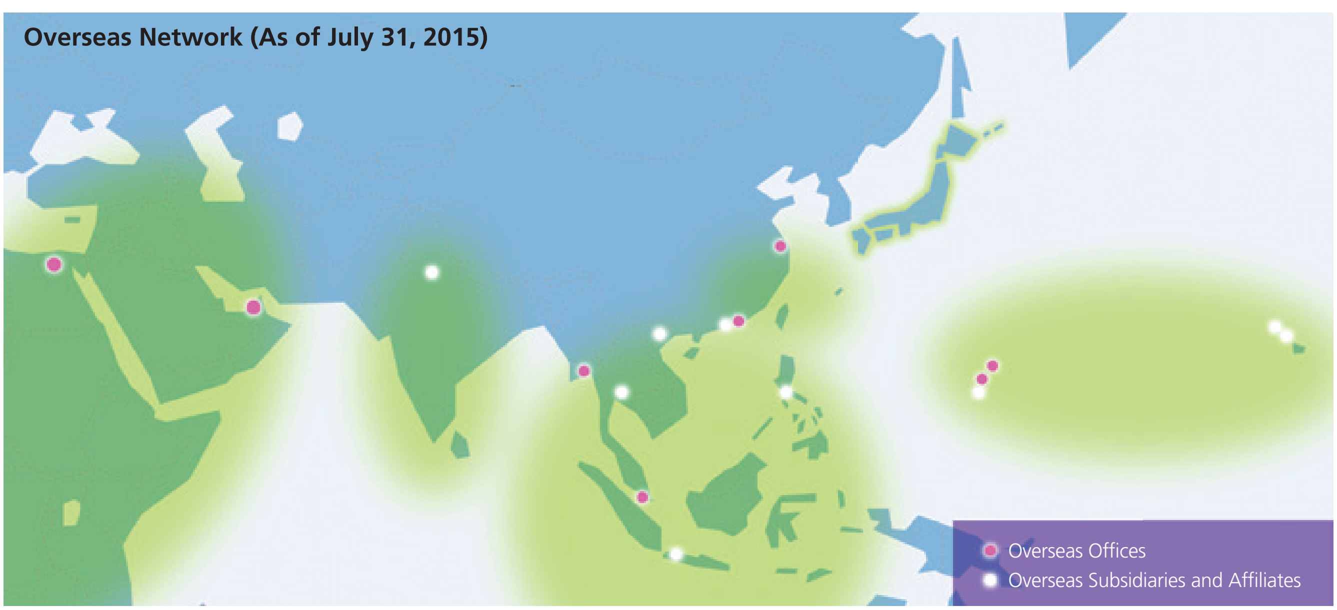
Going forward, Kinden will work actively to improve our technological capabilities, expand orders received in Japan and overseas and enhance the value added of our services, thus raising profitability and leading to ongoing orders.

Kinden has also implemented actively local engineer education in foreign countries. (Refer to Topics on page 11 for further details.)

3. Our Overseas Strategy

Kinden has more than 20 overseas sites at which approximately 1,600 employees of the Company and its local subsidiaries work. The Company is presently implementing further initiatives to make the overseas business one of the pillars of management. Kinden is laying a foundation based on three major centers in Vietnam, Indonesia and Thailand with our integrated strengths and a concentration of resources on Asia and will promote the expansion of its business from a long-term perspective by making greater contributions to Southeast Asia, including Myanmar and India.

Overseas Network (As of July 31, 2015)

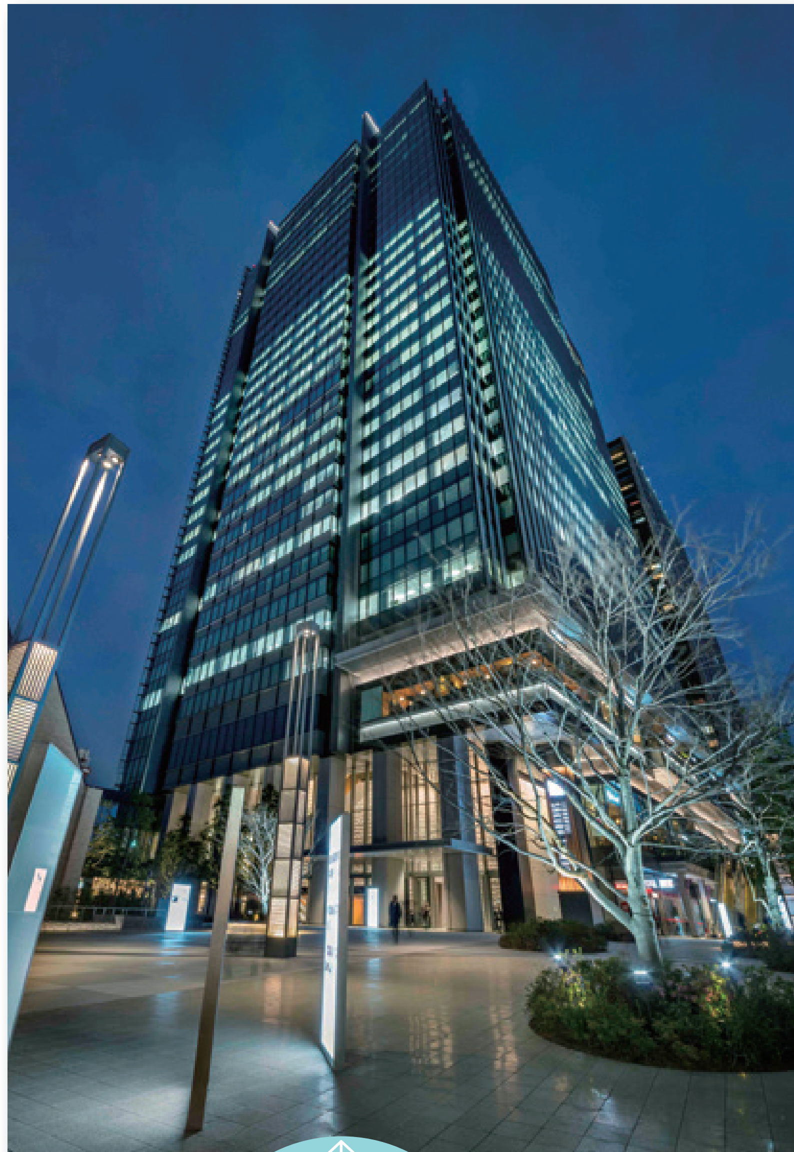


Recent MAJOR PROJECTS

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

Power Distribution Lining

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



Electrical

Iidabashi Grand Bloom (Tokyo)

Information & Communications Network

Kushiro LNG Terminal of JX Nippon LNG Service Company, Limited (Hokkaido)

Environmental Management Facilities

Miyoshi City Hall KIRIRI (Hiroshima)

Electric Power & Others

Improvement and elimination work on Mihama Line (Second Construction Section) (Fukui)

REVIEW *of Operations* (Non-Consolidated)

■ *Summary by Segment*

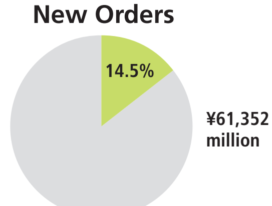
The summary by segment is on a non-consolidated basis. Orders received were up year on year in the Power Distribution Lining segment, but down in all other segments. Compared with the previous fiscal year, sales of completed construction contracts rose in the Power Distribution Lining and Environmental Management Facilities segments, but fell in all others. Moreover, orders received for renovation work fell 20.8% year on year, to ¥116,142 million, affected by such factors as the receipt of a business suspension order. However, we anticipate an increase in the next fiscal year, with demand for energy savings, CO_2 reduction and environmentally friendly facilities remaining robust.

* From the fiscal year under review, "interior constructions," which was formally included in "Environmental Management Facilities" is included in "Electrical." Amounts for previous fiscal years have been revised to account for this change.

Power Distribution Lining

Orders received increased 5.7% from the previous fiscal year, to ¥61,352 million, affected by orders from The Kansai Electric Power Co., Inc., which were up 6.8%. Sales of completed construction contracts grew 7.2%, to ¥61,678 million, with sales to Kansai Electric Power up 8.0%. This segment is a stable business foundation for the Company, but prospects from the next fiscal year onward remain unclear on work projects for Kansai Electric Power, which account for more than 95% of the segment total. For other power distribution-related work, we will make use of our position as a company closely tied to the regions where we intend to increase orders mainly for high-voltage bulk electric power receiving works for apartment buildings and internal facility construction projects for customers. Although we expect to see a decline in orders received and sales of completed construction contracts in the next fiscal year owing to a change in the method of accounting for material supplied from Kansai Electric Power, we expect construction work volumes to remain flat.

New Orders



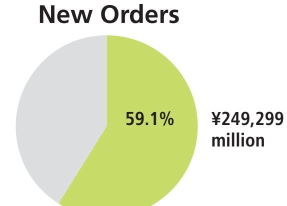
Orders and Sales

Millions of yen

Electrical*

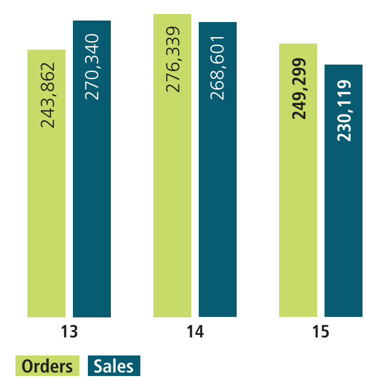
Orders received decreased 9.8% from the previous fiscal year, to ¥249,299 million, and sales of completed construction contracts were down 14.3%, to ¥230,119 million. The decrease in orders was due to such factors as our receipt of a business suspension order and the fact that, considering the volume of construction on hand and Kinden's construction capacity, we strove to secure a level of orders that was appropriate but not excessive. The decrease in sales was also affected by the business suspension order, which lowered orders and projects completed during the year and the fact that we made no substantial progress on construction applying the percentage-of-completion method. Going forward, we plan to further step up business development in the metropolitan area and step up capital investment and sales efforts in areas where demand is strong, including data centers, logistics warehouses and capital investment for inbound business. We will also more actively pursue overseas works centered on Southeast Asia through selection and concentration.

New Orders



Orders and Sales

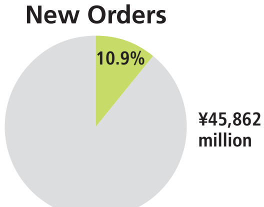
Millions of yen



Information & Communications Network

Compared with the previous fiscal year, orders received fell 21.3%, to ¥45,862 million, and sales of completed construction contracts declined 21.1%, to ¥47,030 million. The scale of orders and sales for FTTH installation works from an affiliate of Kansai Electric Power decreased, as this network has reached the point of saturation. Orders and sales for mobile phone base stations also declined substantially during the year, stemming from lower capital investment by telecommunications providers. In the next fiscal year and beyond, Kinden will actively pursue business development in such areas as building IT infrastructure at schools, hospitals and other facilities and undertake the new challenge of the renovation market.

New Orders



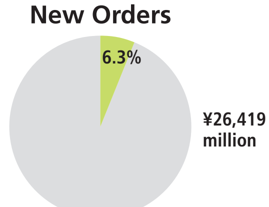
Orders and Sales

Millions of yen

Environmental Management Facilities*

In this segment, orders received decreased 14.5% year on year, to ¥26,419 million, while sales of completed construction contracts increased 18.3%, to ¥26,846 million. In the future, we will continue working to develop business projects through proposals that precisely anticipate customer requirements, cultivating new projects among existing and new customers alike. At the same time, we will strengthen proposal-based marketing to customers for factory, hospital and other renovation work aimed at increasing orders for CO_2 reduction and energy-saving improvement.

New Orders



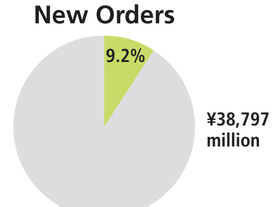
Orders and Sales

Millions of yen

Electric Power & Others

Orders received fell 22.5% year on year, to ¥38,797 million, and sales of completed construction contracts decreased 5.5%, to ¥37,689 million. The primary reason for the decline in orders and sales was a drop-off in solar power plant-related work, particularly mega-solar work, which had been rising since the implementation of the feed-in tariff system for renewable energy in July 2012. Although we also foresee a decline in this area in future fiscal years, we will continue augmenting marketing efforts in such areas as repair of electrical transmission facilities for Kansai Electric Power, substation equipment upgrade works, work for wind power generation facilities and overseas infrastructure projects.

New Orders

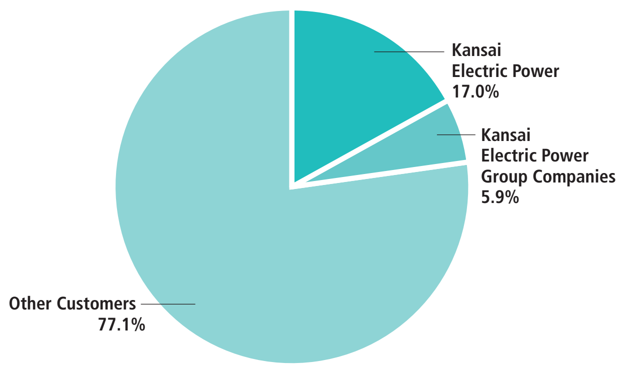


Orders and Sales

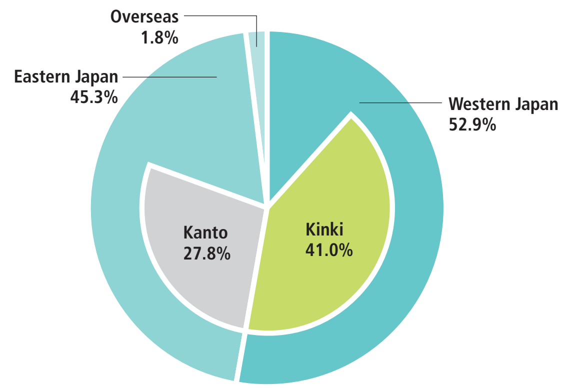
Millions of yen

■ *Composition of Non-Consolidated Net Sales, Construction Orders on Hand, and Shareholding Ratio* *(Fiscal 2015)*

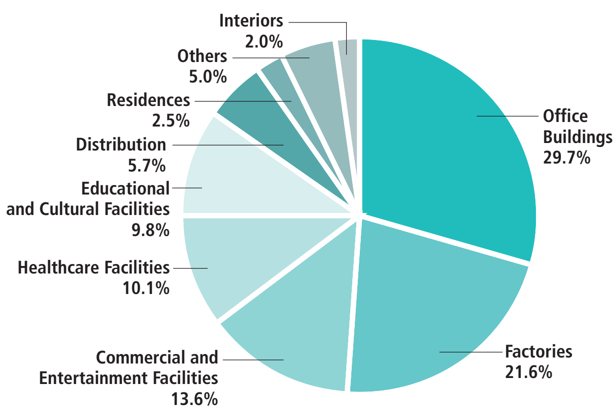
Net Sales by Customers



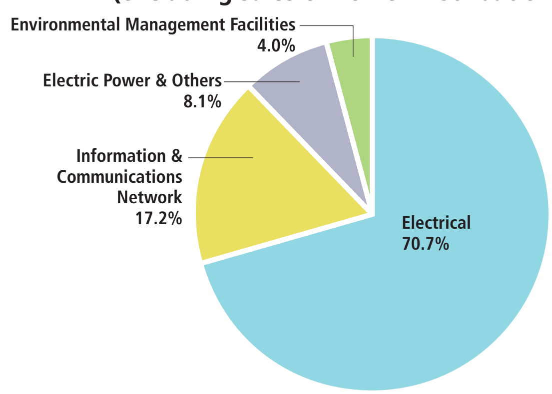
Net Sales by Region (excluding sales of Power Distribution Lining)



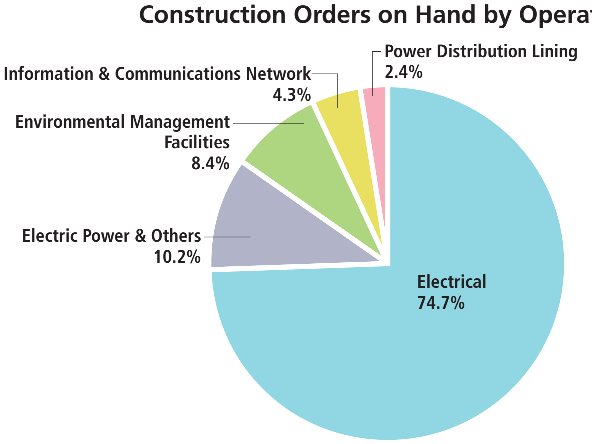
Net Sales by Facility (Electrical)



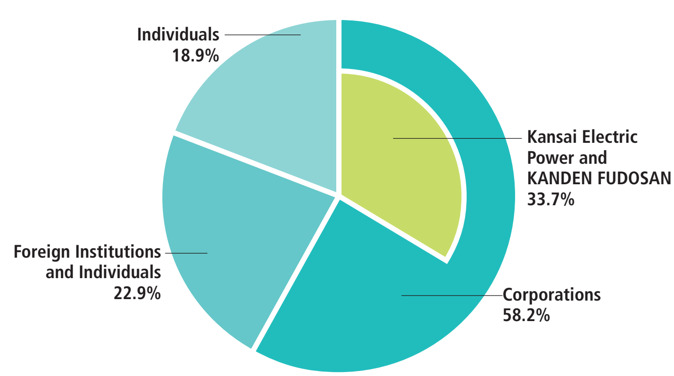
Net Sales of Renewal Construction by Operation (excluding sales of Power Distribution Lining)



Construction Orders on Hand by Operation



Shareholding Ratio



Topic

First Class of Graduates Completes Vocational Training Course in Myanmar

March 2015 marked the graduation of the first class of 38 electrical engineers, who took part in the eight-month Sakura-Insein Technical Course at a vocational training facility in Yangon. This school opened its doors in July 2014 as a collaboration between Kinden, a Japanese trading company and public institutions in Myanmar. The school holds courses for Power Transmission/Distribution Works and General Electrical Works. The first class studied initial technology and skills, with instruction provided by Myanmar nationals who have been trained at Kinden Gakuen, our educational facility in Japan. Some graduates from this first class have joined Kinden, while others have entered employment with Thai and other companies operating in Myanmar. With numerous companies from Japan and other countries planning to commence operations in Myanmar, demand for skilled engineers is expected to rise going forward. Through this initiative, Kinden hopes to strengthen the ties between Japan and Myanmar and keep on contributing to the development of industry in the country.

The first graduating class, along with their instructors

Corporate Social Responsibilities

Eco-Friendly Energy System Construction

In this age of mass energy consumption, global warming, and atmospheric pollution with CO_2 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. Attention is currently being focused on addressing these problems through the use of so-called "renewable energy." As part of these activities, Kinden is involved in the construction of solar and wind power generation facilities. Kinden plays an active role in proposing and developing eco-friendly energy systems. Our activities in this area include the use of energy-conserving equipment employing highly efficient co-generation systems that utilize by electricity and thermal energy as well as the construction of hydrogen station facilities. These facilities are essential for fuel cell vehicles, which are a focus of growing expectations as the ultimate eco-car.

Kinden is taking part in the construction of hydrogen stations, which are being erected in locations throughout Japan.

Main Policies

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

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 a month 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 the 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, the representative of the auditors, and directors in charge of compliance) to enhance compliance functions. It has also set up a Risk Management Committee (which meets twice a year and consists of directors 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, Health, Environment Superintendence Department plays that role for the Quality and Safety Management Committee.

2. Reasons for adopting the corporate governance system

(1) Eleven directors, including two external 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 a year) 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. In response to the revised Companies Act, which went into effect on May 1, 2015, within its basic policy for the internal control system the Company resolved to partially revise its System for Ensuring Effective and Efficient Auditing by the Corporate Auditors at a Board of Directors meeting on April 28, 2015.

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.

Internal Audits and Auditors

Internal audits are conducted, as ordered by the president, by the Office of Administration (six members), which carries out regular operations audits on the structure and administration of internal controls and audits on specific items as specially instructed. The results are reported to the president and auditors.

The auditors supervise the business execution by the Board of Directors in accordance with policies set by the five-member Board of Auditors, by such means as attending Board of Directors and other important meetings, listening to business reports from the Board of Directors, and reviewing important documents. Additionally, regular meetings are set between the president and the auditors to provide opportunities to exchange information, and report and examine the execution of operations.

The auditors have high-level knowledge and judgment regarding finance and accounting. Of the five auditors, one standing auditor (full time) was previously served as the Comany's accounting department manager.

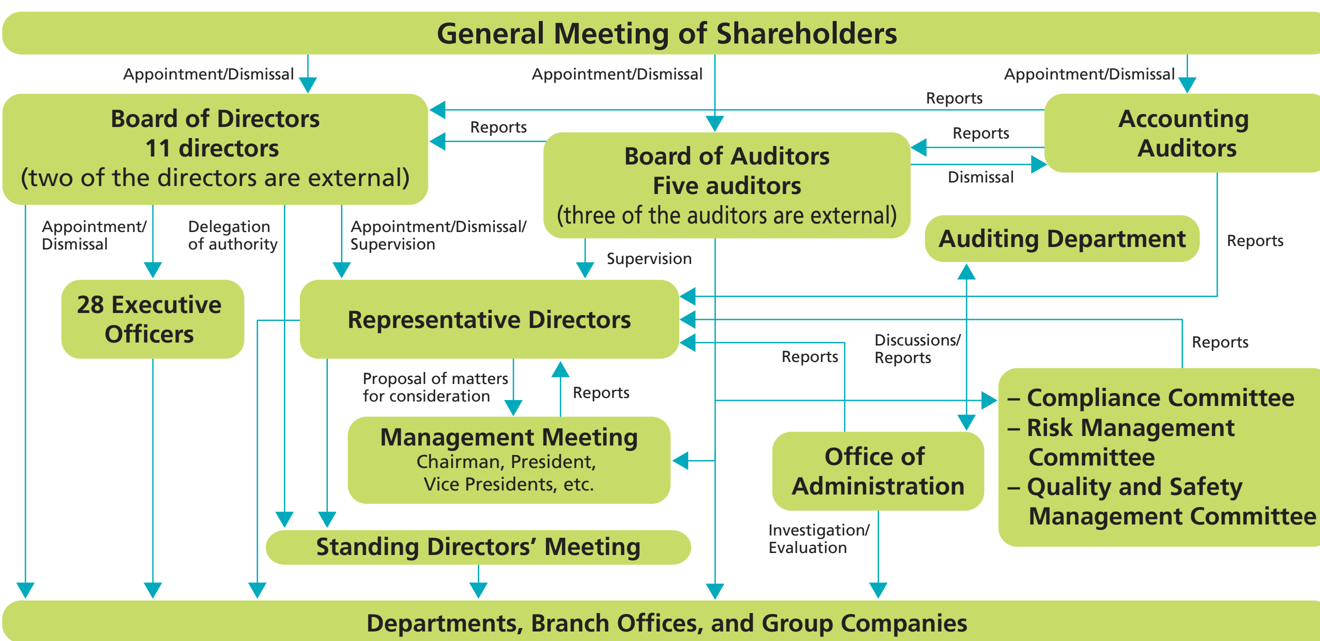
Relations with External Directors and External Auditors

Two external directors are designated and registered as an independent director based on financial instruments exchange regulations. There are three external auditors, two of whom also serve as directors at Kinden customer, The Kansai Electric Power Co., Inc. Additionally, Kansai Electric Power holds 34.1% of Kinden's total shareholder voting rights as of March 31, 2015 (27.3% direct ownership and 6.8% indirect ownership), making Kansai Electric Power an affiliate. The third external auditor, who previously worked for Kansai Electric Power, is engaged in auditing at Kinden on a full-time basis, and maintains close communications with the other external auditors.

** Refer to the Board of Directors and Corporate Auditors on page 45 for the names and reasons for appointment of independent directors.*

Based on the independence standards set forth by the financial instruments exchange in Independence Standards for Independent External Directors, we judge that none of conditions described below apply to the Company's external directors, and that they are external directors with independence that has no risk of leading to conflicts of interest with general shareholders. From the fiscal year ending March 31, 2016, the Company has increased its number of external directors from one to two. As with the external auditors, these external directors are in possession of perceptions and information from outside the Company, and are

Corporate Governance Structure



expected to supervise and audit business execution bodies from a fair-minded, specialized and objective perspective, thereby reinforcing the management structure and further enhancing corporate governance.

A. A major business partner*1 of the Company or its consolidated subsidiaries (the "Kinden Group") or a party executing business*2 for such a partner
B. A major business partner of the Kinden Group or a party executing business for such a partner
C. A party executing business for a major shareholder*3 of the Company
D. A party executing business for a major lender*4 or a lead-managing securities company for the Kinden Group
E. A company in which the Kinden Group holds shares representing 10% or more of voting rights or a party executing business for such a company
F. A consulting attorney for the Kinden Group or a certified public accountant belonging to an auditing firm serving as the accounting auditor for the Kinden Group
G. A consultant, accounting specialist or legal specialist other than F above who receives substantial monies*5 or other property other than executive compensation (or, if the party receiving such property is a corporation, association or other organization, parties belonging to such organization) from the Kinden Group
H. A party in receipt of a substantial donation*6 from the Kinden Group
I. A party executing business for another company who is serving as an executive for the Company
J. A party to whom conditions D, E, F or I have recently*7 applied
K. A close relative*8 of a party described by any of (A) through (E) below (excluding insignificant parties*9)
   (A) A party described by A, B or G
   (B) A party currently or recently corresponding to F
   (C) A party executing business for a Kinden subsidiary
   (D) A director who is not a party executing business for a Kinden subsidiary
   (E) A party recently described by (C) or (D) above or described as a party executing business for Kinden
L. A party who, whether or not the above items apply, is recognized for some other particular reason as having a conflict of interest with general shareholders

*1 A "major business partner" is a party which, in any of the most recent three fiscal years, has conducted annual transactions with said business partner in an amount that exceeds a certain percentage of the Kinden Group's consolidated net sales (if a business partner, the business partner's annual net sales).
*2 A "party executing business" refers to a director executing business operations or other employee who is an executive officer, but excludes directors not executing business operations and corporate auditors.
*3 A "major shareholder" refers to a shareholder who has held 10% or more of shares, based on voting rights, during the most recent five fiscal years.
*4 A "major lender" refers to a financial institution conducting lending to the Kinden Group whose lending balance exceeds a certain standard as of the end of the most recent fiscal year.
*5 "Substantial monies" refers to an amount exceeding a certain standard received as consideration for services provided to the Kinden Group in any of the most recent three fiscal years.
*6 A "party in receipt of a substantial donation" refers to a party whose average amount received in the past three fiscal years exceeds a certain amount. In the event that the party in receipt of such donation is a corporation, association or other organization, any party whose activities are directly related to such organization and conducting research, education or other activities.
*7 "Recently" refers to within the past three years.
*8 A "close relative" refers to a spouse or family member within the second degree of kinship.
*9 An "insignificant party" refers to a party who is not a director, executive, executive officer, or departmental manager or above of any of the companies or business partners, nor a party executing business with equivalent authority.

Remuneration of Directors and Auditors

In the 101st fiscal term (the fiscal year ended March 31, 2015), remuneration paid to the Company's 13 directors (excluding external directors) amounted to ¥542 million, remuneration paid to three auditors (excluding external auditors) amounted to ¥69 million, and remuneration paid to four external directors (including an external director and three external auditors) amounted to ¥48 million.

The above compensation paid to directors and auditors includes compensation paid to two directors and an auditor who retired as of the conclusion of the 100th general shareholders meeting held June 25, 2014.

Remuneration for Audit Services

Remuneration paid to Hibiki Audit Corporation in the 101st fiscal term (the fiscal year ended March 31, 2015) for services set forth by the Certified Public Accountants Law totaled ¥45 million. No other remuneration was paid.

Five-Year Financial Summary

For the fiscal years ended March 31

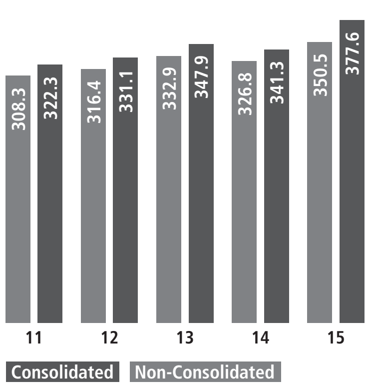
	Consolidated					Non-Consolidated				
	Millions of yen					Millions of yen				
	2011	2012	2013	2014	**2015**	2011	2012	2013	2014	**2015**
FOR THE YEAR										
Net sales	¥478,516	¥455,563	¥491,140	¥514,357	**¥467,972**	¥441,815	¥402,381	¥426,889	¥448,275	**¥403,363**
Power distribution lining						75,769	76,124	65,973	57,521	**61,678**
Electrical*						255,756	237,287	270,340	268,601	**230,119**
Information & communications network						58,869	53,035	52,963	59,579	**47,030**
Environmental management facilities*						25,301	24,814	22,566	22,698	**26,846**
Electric power & others						26,118	11,120	15,045	39,875	**37,689**
Operating income	23,413	19,251	19,767	25,691	**29,325**	21,559	17,455	20,220	20,738	**22,464**
Net income	13,852	10,527	9,791	16,393	**20,552**	13,196	9,543	10,794	13,148	**16,083**
Comprehensive income	9,850	12,205	20,309	25,243	**42,058**	—	—	—	—	**—**
Capital investment	4,092	2,407	4,059	2,820	**1,407**	2,112	2,150	3,701	976	**934**
Depreciation and amortization	5,010	5,783	5,193	4,708	**4,451**	4,548	4,436	4,042	3,459	**3,176**

* From the fiscal year under review, "interior constructions," which was formally included in "Environmental Management Facilities" is included in "Electrical." Amounts for previous fiscal years have been revised to account for this change.

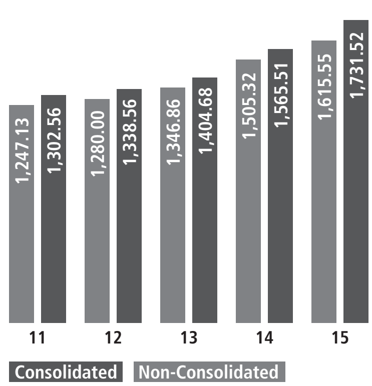
	2011	2012	2013	2014	**2015**	2011	2012	2013	2014	**2015**
AT YEAR-END										
Capital stock	¥ 26,411	¥ 26,411	¥ 26,411	¥ 26,411	**¥ 26,411**	¥ 26,411	¥ 26,411	¥ 26,411	¥ 26,411	**¥ 26,411**
Total net assets	322,304	331,111	347,949	341,364	**377,659**	308,314	316,424	332,926	326,851	**350,569**
Total assets	484,604	484,914	510,209	518,464	**542,246**	453,319	451,026	472,654	479,963	**489,939**
Number of shares outstanding (excluding treasury stock) (Thousands)										
Balance at end of year	247,219	247,206	247,186	217,131	**216,996**	247,219	247,206	247,186	217,131	**216,996**
Number of employees (Persons)**	9,202	9,412	9,602	9,557	**9,563**	6,930	6,991	7,027	6,992	**6,895**
Equity ratio (%)	66.4	68.2	68.1	65.6	**69.3**	68.0	70.2	70.4	68.1	**71.6**
Return on equity (ROE) (%)	4.3	3.2	2.9	4.8	**5.7**	4.3	3.1	3.3	4.0	**4.7**
Payout ratio (%)						26.2	36.3	36.6	30.4	**27.0**
Price-earnings ratio (Times)	13.51	15.01	15.91	13.51	**15.87**	14.18	16.55	14.43	16.85	**20.27**

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

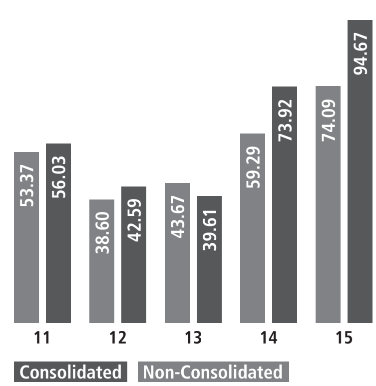
Net Assets
Billions of yen



Net Assets per Common Share
Yen



Net Income per Common Share
Yen



Management's Discussion and Analysis

RESULTS OF OPERATIONS

Net sales fell from the previous year's level, but operating income, ordinary income and net income all increased year on year. Consolidated net sales amounted to ¥467,972 million (US$3,894,257 thousand), a decrease of ¥46,384 million from the previous fiscal year. Operating income grew ¥3,633 million, to ¥29,325 million (US$244,031 thousand); ordinary income rose ¥3,822 million, to ¥31,996 million (US$266,263 thousand); and net income expanded ¥4,158 million, to ¥20,552 million (US$171,024 thousand). The primary reasons for the year-on-year decline in net sales were a business suspension order the Group was issued with regard to construction in categories other than Power Distribution Lining and the fact that an increase in the number of larger projects compared with previous years limited progress in boosting turnover under the percentage-of-completion method.

FINANCIAL POSITION

Assets

Current assets as of March 31, 2015, amounted to ¥302,844 million, up ¥1,623 million, or 0.5%, from March 31, 2014. Owing to steady ongoing collection efforts, notes receivable, accounts receivable from completed construction contracts and other fell ¥17,375 million, but cash reserves (total of cash and deposits and short-term investment securities) amounted to ¥97,033 million, due to a ¥1,718 million increase in cash and deposits and a ¥17,000 million rise in short-term investment securities. The growth in cash reserves was due primarily to the fact that reductions stemming from such operating payables as notes payable, accounts payable for construction contracts and other, as well as income tax and dividend payments, were lower than increases from such factors as the recovery of operating receivables and the posting of net income.

Noncurrent assets rose ¥22,158 million, or 10.2%, from the end of the previous fiscal year, to ¥239,402 million. Property, plant and equipment decreased ¥1,828 million, to ¥100,672 million. Absent any major new acquisitions, sales or disposals of noncurrent assets during the year, the decline was due mainly to depreciation and amortization. Investments and other assets expanded ¥24,044 million, to ¥136,816 million, mainly owing to an increase in the market value of investment securities.

As a result, total assets amounted to ¥542,246 million (US$4,512,328 thousand) at the end of the fiscal year, up ¥23,781 million, or 4.6%, from one year earlier.

Liabilities

Current liabilities decreased ¥17,795 million, or 12.0%, to ¥130,790 million. This fall was due mostly to the payment of materials costs following acceptance inspections at the end of the preceding fiscal year, which lowered notes payable, accounts payable for construction contracts and other.

Noncurrent liabilities expanded ¥5,281 million, or 18.5%, to ¥33,796 million, mostly because of the increase in deferred tax liabilities due to the rise in the market value of investment securities.

Consequently, total liabilities came to ¥164,587 million (US$1,369,618 thousand), a decrease of ¥12,513 million, or 7.1%, from the end of the previous fiscal year.

Net Assets

Shareholders' equity rose ¥14,802 million, or 4.7% year on year, to ¥333,089 million, resulting from increases such as the posting of net income and decreases due to such factors as dividend payments. The valuation difference on available-for-sale securities increased ¥13,889 million, to ¥41,492 million, due to factors including a rise in the market value of investment securities.

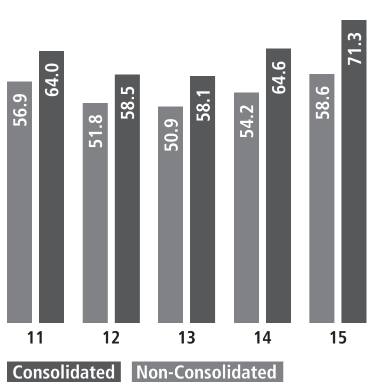
As a result, total net assets amounted to ¥377,659 million (US$3,142,709 thousand), an increase of ¥36,295 million, or 10.6%, from the end of the previous fiscal year. The equity ratio stood at 69.3%, up 3.7 percentage points from the end of the previous fiscal year.

CASH FLOW ANALYSIS

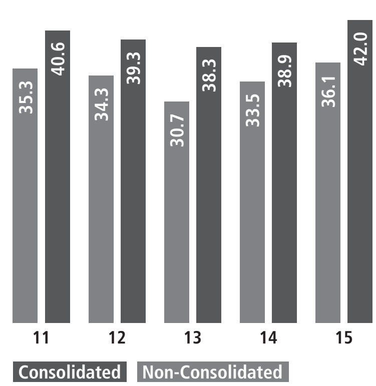
Net cash provided by operating activities in the fiscal year under review amounted to ¥28,805 million (US$239,703 thousand). This was mainly due to income before income taxes and minority interests and a decrease in notes and accounts receivable–trade despite the increase in notes and accounts receivable–trade and income taxes paid.

Net cash used in investing activities came to ¥6,718 million (US$55,904 thousand), due to the purchase of investment securities.

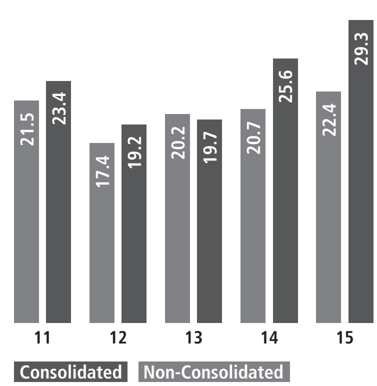
Gross Profit
Billions of yen



Selling, General and Administrative Expenses
Billions of yen



Operating Income
Billions of yen



Net cash used in financing activities was ¥3,957 million (US$32,928 thousand), mainly owing to cash dividends paid.

As a result, cash and cash equivalents stood at ¥93,558 million (US$778,548 thousand), an increase of ¥19,214 million from the end of the previous fiscal year.

RISK FACTORS

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

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

Economic Conditions

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

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

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

2. Increased materials costs

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

3. Restrained construction investment through national and local government policy

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

4. Restrained capital investment by electric power companies

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

5. Changes in overseas economic conditions and regulatory environment

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

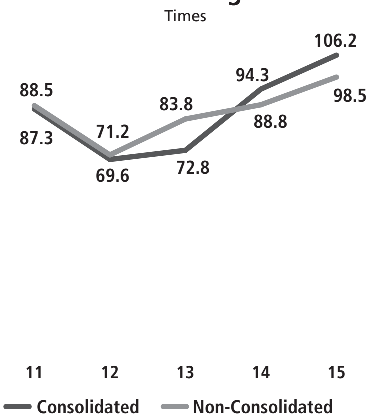
Exposure to Bad Debts Due to Customer Bankruptcies and Other Factors

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

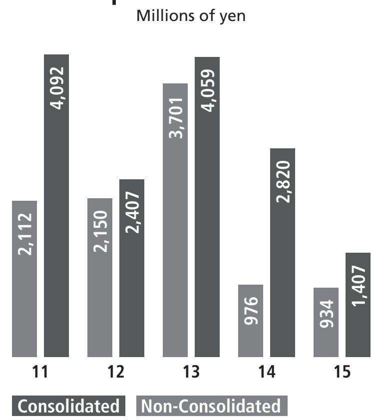
Impact of Large-scale Natural Disasters

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

Interest Coverage Ratio



Capital Investment



Consolidated Balance Sheets

KINDEN CORPORATION AND SUBSIDIARIES
March 31, 2014 and 2015

ASSETS	Millions of yen 2014	Millions of yen 2015	Thousands of U.S. dollars 2015
CURRENT ASSETS:			
Cash and deposits	¥ 38,314	¥ 40,033	$ 333,142
Notes receivable, accounts receivable from completed construction contracts and other	198,091	180,716	1,503,839
Short-term investment securities	40,000	57,000	474,328
Costs on uncompleted construction contracts	14,261	11,973	99,634
Raw materials and supplies	1,939	2,138	17,798
Deferred tax assets	6,132	4,359	36,277
Deposits paid	—	5,000	41,607
Other	6,654	5,345	44,485
Allowance for doubtful accounts	(4,174)	(3,723)	(30,981)
Total current assets	301,221	302,844	2,520,130
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings and structures	87,065	87,343	726,834
Machinery, equipment and vehicles	36,789	37,414	311,345
Tools, furniture and fixtures	10,754	10,571	87,970
Land	57,778	57,956	482,289
Construction in progress	—	233	1,939
Accumulated depreciation	(89,886)	(92,846)	(772,625)
Total property, plant and equipment	102,501	100,672	837,754
INTANGIBLE ASSETS	1,969	1,912	15,915
INVESTMENTS AND OTHER ASSETS:			
Investment securities	94,769	119,920	997,921
Long-term deposits	5,000	—	—
Net defined benefit asset	293	4,585	38,157
Deferred tax assets	3,853	4,205	34,992
Other	12,674	11,879	98,857
Allowance for doubtful accounts	(3,817)	(3,773)	(31,400)
Total investments and other assets	112,772	136,816	1,138,528
Total noncurrent assets	217,243	239,402	1,992,198
Total assets	¥518,464	¥542,246	$4,512,328

See the accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen 2014	Millions of yen 2015	Thousands of U.S. dollars 2015
CURRENT LIABILITIES:			
Notes payable, accounts payable for construction contracts and other	¥ 84,774	¥ 71,123	$ 591,858
Short-term loans payable	16,903	17,289	143,872
Income taxes payable	7,835	8,241	68,580
Advances received on uncompleted construction contracts	12,525	10,493	87,324
Provision for loss on construction contracts	2,320	1,006	8,371
Provision for warranties for completed construction	539	610	5,079
Provision for directors' bonuses	190	175	1,460
Other	23,495	21,850	181,827
Total current liabilities	148,585	130,790	1,088,376
NONCURRENT LIABILITIES:			
Deferred tax liabilities	10,909	17,818	148,275
Provision for directors' retirement benefits	229	231	1,929
Net defined benefit liability	17,004	15,498	128,972
Other	371	248	2,065
Total noncurrent liabilities	28,515	33,796	281,242
Total liabilities	177,100	164,587	1,369,618
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 218,141,080 shares (2015)	26,411	26,411	219,784
Capital surplus	29,657	29,657	246,796
Retained earnings	263,020	277,999	2,313,387
Treasury stock	(802)	(978)	(8,145)
Total shareholders' equity	318,287	333,089	2,771,822
ACCUMULATED OTHER COMPREHENSIVE INCOME:			
Valuation difference on available-for-sale securities	27,602	41,492	345,281
Foreign currency translation adjustment	(347)	719	5,983
Remeasurements of defined benefit plans	(5,621)	432	3,597
Total accumulated other comprehensive income	21,633	42,643	354,862
MINORITY INTERESTS	1,444	1,925	16,025
Total net assets	341,364	377,659	3,142,709
Total liabilities and net assets	¥518,464	¥542,246	$4,512,328

Consolidated Statements of Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net sales of completed construction contracts	¥514,357	¥467,972	$3,894,257
Cost of sales of completed construction contracts	449,745	396,594	3,300,278
Gross profit on completed construction contracts	64,612	71,378	593,979
Selling, general and administrative expenses	38,920	42,053	349,947
Operating income	25,691	29,325	244,031
Non-operating income:			
Interest income	515	586	4,878
Dividends income	1,058	1,208	10,052
Real estate rent	339	336	2,801
Equity in earnings of affiliates	61	10	89
Foreign exchange gains	613	733	6,101
Other	688	567	4,725
Total non-operating income	3,276	3,442	28,648
Non-operating expenses:			
Interest expenses	289	293	2,441
Provision of allowance for doubtful accounts	42	86	717
Condolence money	118	70	582
Other	343	321	2,675
Total non-operating expenses	794	771	6,416
Ordinary income	28,174	31,996	266,263
Extraordinary income:			
Gain on sales of noncurrent assets	164	286	2,387
Gain on sales of investment securities	219	88	738
Gain on sales of memberships	48	21	175
Total extraordinary income	431	396	3,301
Extraordinary loss:			
Loss on sales of noncurrent assets	302	6	55
Loss on retirement of noncurrent assets	65	130	1,083
Impairment loss	15	28	235
Loss on valuation of investment securities	93	—	—
Loss on sales of memberships	2	9	75
Loss on valuation of memberships	1	7	61
Loss on change in equity	55	—	—
Surcharge	471	—	—
Total extraordinary losses	1,008	181	1,512
Income before income taxes and minority interests	27,597	32,211	268,052
Income taxes–current	8,764	10,062	83,734
Income taxes–deferred	1,853	1,305	10,859
Total income taxes	10,618	11,367	94,594
Income before minority interests	16,979	20,844	173,458
Minority interests in income	585	292	2,433
Net income	¥ 16,393	¥ 20,552	$ 171,024

	Yen		U.S. dollars
	2014	2015	2015
Amounts per common share:			
Net income	¥73.92	¥94.67	$0.78
Cash dividends	18.00	20.00	0.16

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Income before minority interests	¥16,979	**¥20,844**	**$173,458**
Other comprehensive income:			
Valuation difference on available-for-sale securities	7,069	**13,892**	**115,607**
Foreign currency translation adjustment	1,159	**1,230**	**10,241**
Remeasurements of defined benefit plans, net of tax	—	**6,054**	**50,379**
Share of other comprehensive income of associates accounted for using equity method	35	**36**	**302**
Other comprehensive income	8,264	**21,213**	**176,530**
Comprehensive income	¥25,243	**¥42,058**	**$349,988**
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	¥24,563	**¥41,562**	**$345,866**
Comprehensive income attributable to minority interests	680	**495**	**4,122**

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2014 and 2015

	Thousands	Millions of yen								
	Shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on avaiable-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Minority interests	Total net assets
Balance at April 1, 2013	266,065	¥26,411	¥29,846	¥287,755	¥(15,881)	¥20,556	¥(1,471)	—	¥ 732	¥347,949
Cash dividends, ¥16.0 per share				(3,774)						(3,774)
Net income				16,393						16,393
Purchase of treasury stock					(22,464)					(22,464)
Disposal of treasury stock			0		0					0
Retirement of treasury shares	(47,924)		(189)	(37,354)	37,543					—
Net changes of items other than shareholders' equity						7,046	1,123	(5,621)	712	3,260
Balance at April 1, 2014	218,141	¥26,411	¥29,657	¥263,020	¥ (802)	¥27,602	¥ (347)	¥(5,621)	¥1,444	¥341,364
Cumulative effects of changes in accounting policies				(1,447)						(1,447)
Restated balance		¥26,411	¥29,657	¥261,573	¥ (802)	¥27,602	¥ (347)	¥(5,621)	¥1,444	¥339,916
Cash dividends, ¥18.0 per share				(4,125)						(4,125)
Net income				20,552						20,552
Purchase of treasury stock					(177)					(177)
Disposal of treasury stock			0		0					0
Net changes of items other than shareholders' equity						13,889	1,067	6,054	481	21,492
Balance at March 31, 2015	218,141	¥26,411	¥29,657	¥277,999	¥ (978)	¥41,492	¥ (719)	¥ 432	¥1,925	¥377,659

	Thousands	Thousands of U.S. dollars								
	Shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on avaiable-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Minority interests	Total net assets
Balance at April 1, 2014	218,141	$219,784	$246,794	$2,188,737	$(6,676)	$229,698	$(2,895)	$(46,782)	$12,018	$2,840,678
Cumulative effects of changes in accounting policies				(12,045)						(12,045)
Restated balance		$219,784	$246,794	$2,176,692	$(6,676)	$229,698	$(2,895)	$(46,782)	$12,018	$2,828,633
Cash dividends, ¥18.0 per share				(34,329)						(34,329)
Net income				171,024						171,024
Purchase of treasury stock					(1,474)					(1,474)
Disposal of treasury stock			1		5					7
Net changes of items other than shareholders' equity						115,583	8,879	50,379	4,006	178,849
Balance at March 31, 2015	218,141	$219,784	$246,796	$2,313,387	$(8,145)	$345,281	$ 5,983	$ 3,597	$16,025	$3,142,709

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 27,597	¥ 32,211	$ 268,052
Adjustments for:			
Depreciation	4,708	4,451	37,040
Impairment loss	15	28	235
Loss (gain) on change in equity	55	—	—
Increase (decrease) in allowance for doubtful accounts	(3,440)	(501)	(4,169)
Increase (decrease) in provision for loss on construction contracts	(1,337)	(1,314)	(10,939)
Increase (decrease) in net defined benefit liability	364	203	1,692
Interest and dividends income	(1,573)	(1,794)	(14,931)
Interest expenses	289	293	2,441
Foreign exchange losses (gains)	(471)	(487)	(4,056)
Equity in (earnings) losses of affiliates	(61)	(10)	(89)
Loss (gain) on valuation of investment securities	93	—	—
Loss on valuation of membership	1	7	61
Loss (gain) on sales of property, plant and equipment	92	(292)	(2,432)
Loss on retirement of property, plant and equipment	65	130	1,083
Loss (gain) on sales of investment securities	(219)	(88)	(738)
Surcharge	471	—	—
Decrease (increase) in notes and accounts receivable–trade	(11,158)	18,241	151,796
Decrease (increase) in costs on uncompleted construction contracts.	1,942	2,315	19,269
Decrease (increase) in other inventories	(26)	(196)	(1,633)
Decrease (increase) in net defined benefit asset	(4,420)	1,075	8,953
Increase (decrease) in notes and accounts payable–trade	2,953	(14,262)	(118,682)
Increase (decrease) in advances received on uncompleted construction contracts	963	(2,486)	(20,689)
Other	3,304	(523)	(4,352)
Sub-total	20,211	37,002	307,913
Interest and dividends income received	1,544	1,771	14,741
Interest expenses paid	(289)	(293)	(2,441)
Surcharge paid	(471)	—	—
Income taxes paid	(7,288)	(9,674)	(80,510)
Net cash provided by (used in) operating activities	13,706	28,805	239,703
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments into time deposits	(2,827)	(3,695)	(30,749)
Proceeds from withdrawal of time deposits	2,459	5,096	42,408
Proceeds from withdrawal deposit	5,000	—	—
Purchase of property, plant and equipment	(3,423)	(1,659)	(13,811)
Proceeds from sales of property, plant and equipment	459	261	2,172
Purchase of investment securities	(1,752)	(10,666)	(88,762)
Proceeds from sales and redemption of investment securities	5,044	4,170	34,705
Payments of loans receivable	(4)	(3)	(29)
Collection of loans receivable	22	80	671
Other	1,008	(301)	(2,509)
Net cash provided by (used in) investing activities	5,987	(6,718)	(55,904)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term loans payable	301	339	2,822
Proceeds from stock issuance to minority shareholders	3	—	—
Purchase of treasury stock	(22,464)	(60)	(499)
Proceeds from sales of treasury stock	0	0	7
Cash dividends paid	(3,774)	(4,125)	(34,329)
Cash dividends paid to minority shareholders	(26)	(13)	(115)
Other	(158)	(97)	(814)
Net cash provided by (used in) financing activities	(26,119)	(3,957)	(32,928)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	1,094	1,084	9,023
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,331)	19,214	159,893
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	79,675	74,343	618,654
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	¥ 74,343	¥ 93,558	$ 778,548

See the accompanying notes to consolidated financial statements.

1. Basis of Presenting Consolidated Financial Statements

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

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

The amounts stated in the accompanying consolidated financial statements are in Japanese yen. U.S. dollar amounts included in the accompanying consolidated financial statements and the notes to consolidated financial statements represent the arithmetic result of translating Japanese yen to U.S. dollar amounts on a basis of ¥120.17 to US$1, the fixed-market rate on March 31, 2015. U.S. dollar amounts are rounded down to the nearest thousand dollars. Such U.S. dollar amounts are not intended to imply that Japanese yen amounts have been converted, realized or settled in U.S. dollars, at that or any other rate.

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

Consolidated subsidiaries: 20

The names of the principal consolidated subsidiaries are as reported in Network on p.47 of the Annual Report.

On April 1, 2014, Kinden Keiji Services Company, Incorporated and Kinden Kobe Service Company, Incorporated, which were consolidated subsidiaries in the previous fiscal year, were dissolved in an absorption merger with Kinden Service Company, Incorporated, a consolidated subsidiary of Kinden, as the surviving corporation.

Name of non-consolidated subsidiary

Kinden India Private Limited

The above company was established in October 2012 and is excluded from the scope of consolidation because it is a small company and its total assets, net sales, net income (proportionate to equity holding) and retained earnings (proportionate to equity holding) have no material effect on the consolidated financial statements.

3. Major Affiliates Accounted for by the Equity Method

Number of affiliates accounted by the equity method: 2

Names of affiliates accounted by the equity method

KINKA Corporation

Bintai Kinden Corporation Bhd.

Name of subsidiary not accounted for by the equity method

Kinden India Private Limited

Names of affiliates not accounted for by the equity method

Yoshida Shisetsu Seibi SPC Ltd.

Otakanomori PFI Company, Limited

Sanyu Co., Ltd.

The 1 above non-equity method non-consolidated subsidiary and 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) and retained earnings (proportionate to equity holdings) and due to their having little significance in relation to the Company's overall position.

The financial statements relating to the fiscal year of each company are used in the preparation of the consolidated financial statements for those equity method affiliates whose closing date is different than the consolidated account closing date.

4. Fiscal Year-End of Consolidated Subsidiaries

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

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

5. Summary of Significant Accounting Policies

(1) Standards and Methods for Valuing Assets

Securities

1) Held-to-maturity debt securities

Amortized cost method (Straight-line method)

2) Available-for-sale securities

Securities with quoted market values

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

Securities without quoted market values

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

Derivatives

Market value method

Inventories

1) Costs on uncompleted construction contracts

Costs on uncompleted construction contracts are stated at actual cost.

2) Raw materials and supplies

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

(2) Method of Depreciation of Material Depreciable Assets

Tangible fixed assets (Excluding leased assets)

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

Useful lives of principal assets are as follows:

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

Intangible assets (Excluding leased assets)

Straight-line method

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

Leased assets

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

(3) Accounting Basis for Allowances

Allowance for doubtful accounts

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

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.

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.

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.

Provision for directors' retirement benefits

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

(4) Retirement Benefits

(a) Method of attributing expected benefit to period

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

(b) Amortization of actuarial differences and prior service cost

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

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

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

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

(d) Application of simplified methods for small companies

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

(5) Recognition of Revenues and Costs of Construction Contracts

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

(6) Accounting for Hedging

(a) Method for hedge accounting

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

(b) 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

(c) 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.

(d) Method for evaluating the effectiveness of hedges

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

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

(7) Amortization of Goodwill

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

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

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

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

Accounting for consumption taxes

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

CHANGES IN ACCOUNTING METHOD

Accounting Standard for Retirement Benefits

From the fiscal year under review, the Company adopted the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015) in accordance with the provisions of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. The Company revised the calculation method for retirement benefit obligations and service costs, adopted the method to attribute expected retirement benefits to the periods of services based on the benefit formula instead of on the straight-line basis, and changed the method of determining discount rates. This change was from a discount rate based on bonds having a duration similar to the average remaining service period of employees to a single weighted-average discount rate that reflects expected retirement benefit payment periods and the expected payment amount for each expected payment period.

Following paragraph 37 of the Accounting Standard for Retirement Benefits, which stipulates transitional treatment of the new standard, the effect of the change in the calculation method of retirement benefit obligations and service costs is adjusted in retained earnings at the beginning of the fiscal year ended March 31, 2015.

This change had the effect, at the beginning of the fiscal year under review, of increasing the retirement benefit liability ¥2,247 million (US$18,703 thousand) and reducing retained earnings ¥1,447 million (US$12,045 thousand). Also, operating income, ordinary income, and income before income taxes for the fiscal year each decreased by ¥355 million (US$2,961 thousand).

In addition, during the fiscal year under review net assets per share fell by ¥7.78 (US$0.06) and net income per share declined by ¥1.11 (US$0.00).

UNAPPLIED ACCOUNTING STANDARDS

—"Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013)

—"Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013)

—"Accounting Standard for Business Divestures" (ASBJ Statement No. 7, September 13, 2013)

—"Accounting Standard for Earnings Per Share (ASBJ Statement No. 2, September 13, 2013)

—"Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, September 13, 2013)

—"Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No.4, September 13, 2013)

(1) Overview

These accounting standards are primarily revisions centering on the handling of changes in parent company ownership of subsidiaries of which ownership continues owing to the increased acquisition of shares in subsidiaries, the handling of acquisition-related expenses, the statement of net income and changes from minority interests to noncontrolling shareholder interest, and the handling of provisional accounting treatment.

(2) Scheduled Effective Date

Applied from the beginning of the fiscal year ending March 31, 2016.

The standard related to the handling of provisional accounting treatment is applied for any corporate combinations occurring after the beginning of the fiscal year ending March 31, 2016.

(3) The Impact of the Adoption of the Revised Accounting Standard and Guidance

The Company is currently reviewing the impact on the consolidated financial statements of revisions including the "Accounting Standard for Business Combinations."

CHANGE IN PRESENTATION

Consolidated Statement of Income

From the fiscal year ended March 31, 2015, as the "provision for allowance for doubtful accounts," which was included within "other" in "non-operating expenses" in the fiscal year ended March 31, 2014 exceeded 10% of total non-operating expenses, the Company decided to present this provision as an independent line item. The consolidated financial statements for the fiscal year ended March 31, 2014 have been restated to reflect this change in presentation method.

As a result, the ¥386 million (US$3,753 thousand) presented as "other" within "non-operating expenses" in the consolidated statements of income for the fiscal year ended March 31, 2014, was restated to ¥42 million (US$414 thousand) in "provision for allowance for doubtful accounts" and ¥343 million (US$3,339 thousand) in "other."

From the fiscal year ended March 31, 2015, to present more clearly the content of "gain on sales of memberships," which was included in "gain on sales of noncurrent assets" within "extraordinary income" in the fiscal year ended March 31, 2014, the Company decided to present this gain as an independent line item. The consolidated financial statements for the fiscal year ended March 31, 2014 have been restated to reflect this change in presentation method.

As a result, ¥212 million (US$2,063 thousand) that was presented in "gain on sales of noncurrent assets" within "extraordinary income" in the consolidated statements of income for the fiscal year ended March 31, 2014, was restated to ¥164 million (US$1,596 thousand) in "gain on sales of noncurrent assets" and ¥48 million (US$466 thousand) in "gain on sales of memberships."

From the fiscal year ended March 31, 2015, to present more clearly the content of "loss on sales of memberships," which was included in "loss on sales of noncurrent assets" within "extraordinary loss" in the fiscal year ended March 31, 2014, the Company decided to present this loss as an independent line item. The consolidated financial statements for the fiscal year ended March 31, 2014 have been restated to reflect this change in presentation method.

As a result, ¥304 million (US$2,960 thousand) that was presented in "loss on sales of noncurrent assets" within "extraordinary loss" in the consolidated statements of income for the fiscal year ended March 31, 2014, was restated to ¥302 million (US$2,937 thousand) in "loss on sales of noncurrent assets" and ¥2 million (US$23 thousand) in "loss on sales of memberships."

From the fiscal year ended March 31, 2015, to present more clearly the content of "loss on valuation of memberships," which was included in "other" within "extraordinary loss" in the fiscal year ended March 31, 2014, the Company decided to present this loss as an independent line item. The consolidated financial statements for the fiscal year ended March 31, 2014 have been restated to reflect this change in presentation method.

As a result, ¥1 million (US$18 thousand) that was presented in "other" within "extraordinary loss" in the consolidated statements of income for the fiscal year ended March 31, 2014, was restated to ¥1 million (US$18 thousand) in "loss on valuation of memberships."

NOTES TO CONSOLIDATED BALANCE SHEETS

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Investment securities–equity........	¥2,031	¥2,182	$18,164

2. Assets pledged as collateral

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Investment securities–equity........	¥22	¥22	$187
Investments and other assets–long-term loans receivable	31	21	175

3. Guarantee obligations

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
BAN-BAN Networks Co., Ltd.	¥20	¥20	$171
Kinden India Private Limited	—	15	129
Total	¥20	¥36	$301

(Note) Of the above-stated guarantee obligations, those denominated in foreign currencies were translated to yen at the rates prevailing in foreign exchange markets (middle rate) on March 31, 2015.

4. Reduction entry

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Buildings and structures, machinery and vehicles	¥5,172	¥5,172	$43,041

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

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

For the fiscal years ended March 31

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥0	¥(7)	$(62)

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

For the fiscal years ended March 31

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥1,001	¥401	$3,337

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Employees salaries	¥19,182	¥20,173	$167,875
Retirement benefit expenses	1,942	1,981	16,492
Provision of allowance for doubtful accounts	(2,102)	(452)	(3,767)

4. Research and development expenses

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

For the fiscal years ended March 31

Millions of yen		Thousands of U.S. dollars
2014	2015	2015
¥386	¥394	$3,285

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Buildings and structures	¥ 50	¥ —	$ —
Machinery and vehicles	12	8	68
Tools, furniture and fixtures	0	2	24
Land	101	275	2,294
Total	¥164	¥286	$2,387

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Buildings and structures	¥ 48	¥1	$ 9
Machinery and vehicles	2	1	12
Tools, furniture and fixtures	—	4	33
Land	250	—	—
Total	¥302	¥6	$55

7. Impairment losses

For the fiscal years ended March 31, 2014 and 2015, the Group recorded the following impairment losses for asset groups.

For the fiscal year ended March 31, 2014

Application	Location	Type	Millions of yen	Thousands of U.S. dollars
Idle assets	Kinki region:			
	3 properties	Land	¥8	$80
	Other: 8 properties	Land	7	70

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 ¥15 million (US$151 thousand) were recorded.

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

For the fiscal year ended March 31, 2015

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

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

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

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

NOTES TO CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification Adjustments and Tax Effects Relating to Other Comprehensive Income

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Valuation difference on available-for-sale securities			
Amount recorded during the period	¥11,074	¥18,520	$154,118
Reclassification adjustments	(177)	(0)	(0)
Amount before tax effect adjustments	10,896	18,520	154,118
Tax effect	(3,827)	(4,627)	(38,511)
Valuation difference on available-for-sale securities	7,069	13,892	115,607
Foreign currency translation adjustment			
Amount recorded during the period	1,159	1,230	10,241
Reclassification adjustments	—	—	—
Foreign currency translation adjustment	1,159	1,230	10,241
Remeasurements of defined benefit plans, net of tax			
Amount recorded during the fiscal year	—	7,568	62,979
Reclassification adjustments	—	1,774	14,769
Amount before tax effect adjustments	—	9,343	77,748
Tax effect	—	(3,288)	(27,368)
Remeasurements of defined benefit plans, net of tax	—	6,054	50,379
Share of other comprehensive income of associates accounted for using equity method			
Amount recorded during the period	35	36	302
Total other comprehensive income	¥ 8,264	¥21,213	$176,530

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the fiscal year ended March 31, 2014

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

	Thousands of shares			
	At April 1, 2013	Increase	Decrease	At March 31, 2014
Stock issued				
Common stock	266,065	—	47,924	218,141
Total	266,065	—	47,924	218,141
Treasury stock				
Common stock	18,878	30,055	47,924	1,009
Total	18,878	30,055	47,924	1,009

(Note) A decrease of 47,924 thousand in the number of common shares outstanding resulted from the cancellation of treasury shares.

An increase of 30,055 thousand in the number of common treasury shares resulted from purchases in the market (of 30,000 thousand shares) and purchases of shares constituting less than one trading unit (55 thousand shares).

A decrease of 47,924 thousand in the number of common treasury shares resulted from the cancellation of treasury shares (47,924 thousand shares) and the sale of shares to top up holdings of less than one trading unit (0 thousand shares).

2. Matters related to dividends

(1) Dividend payment

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 25, 2013	Common stock	¥2,471 million	¥10.0	March 31, 2013	June 26, 2013
Board of Directors' Meeting on October 30, 2013	Common stock	¥1,302 million	¥6.0	September 30, 2013	November 29, 2013

(2) Dividends with a date of record during the fiscal year ended March 31, 2014 and an effective date during the next fiscal year

Resolution	Class of shares	Total dividends	Source of dividend funds	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 25, 2014	Common stock	¥2,605 million	Retained earnings	¥12.0	March 31, 2014	June 26, 2014

For the fiscal year ended March 31, 2015

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

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

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

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

2. Matters related to dividends

(1) Dividend payment

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 25, 2014	Common stock	¥2,605 million $21,682 thousand	¥12.0 $0.09	March 31, 2014	June 26, 2014
Board of Directors' Meeting on October 30, 2014	Common stock	¥1,519 million $12,646 thousand	¥7.0 $0.05	September 30, 2014	November 28, 2014

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

Resolution	Class of shares	Total dividends	Source of dividend funds	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 24, 2015	Common stock	¥2,820 million $23,474 thousand	Retained earnings	¥13.0 $0.10	March 31, 2015	June 25, 2015

NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Cash and deposits	¥38,314	¥40,033	$333,142
Deposits with maturities longer than 3 months	(3,970)	(3,475)	(28,921)
Short-term investment with maturities within 3 months after the date of acquisition	40,000	57,000	474,328
Cash and cash equivalents	¥74,343	¥93,558	$778,548

LEASE TRANSACTIONS

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

FINANCIAL INSTRUMENTS

1. State of Financial Instruments

(1) Policies on financial instruments

The Group manages its financial assets through a low-risk combination of primarily short-term (one year or less) and medium- and long-term operations, and secures short-term working capital through bank borrowings. It also deposits funds for use in group finance within The Kansai Electric Power Group.

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.

Deposits paid are with Kansai Power Business Support Corporation, a subsidiary of The Kansai Electric Power Co., Inc., and the credit risk arising from nonperformance of contract is deemed to be negligible.

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

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

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

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

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

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

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

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

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

2. Market Values of Financial Instruments

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

March 31, 2014

	Millions of yen		
	Book value	Market value	Difference
(1) Cash and deposits	¥ 38,314	¥ 38,314	¥ —
(2) Notes receivable, accounts receivable from completed construction contracts and other*	193,976	193,976	(0)
(3) Short-term investment securities and investment securities	130,071	129,994	(77)
(4) Long-term deposits	5,000	5,003	3
Total assets	¥367,362	¥367,289	¥(73)
(1) Notes payable, accounts payable for construction contracts and other	84,774	84,774	—
(2) Short-term loans payable	16,903	16,903	—
Total liabilities	¥101,678	¥101,678	¥ —
Derivatives	—	—	—

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

March 31, 2015

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

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

March 31, 2015

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Cash and deposits	$ 333,142	$ 333,142	$ —
(2) Notes receivable, accounts receivable from completed construction contracts and other*	1,473,376	1,473,375	(1)
(3) Short-term investment securities and investment securities	1,432,128	1,431,097	(1,030)
(4) Deposits paid	41,607	41,607	—
Total assets	$3,280,255	$3,279,223	$(1,031)
(1) Notes payable, accounts payable for construction contracts and other	591,858	591,858	—
(2) Short-term loans payable	143,872	143,872	—
Total liabilities	$ 735,730	$ 735,730	$ —
Derivatives	—	—	—

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

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

Assets

(1) Cash and deposits and (4) Deposits paid

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

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

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

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

Liabilities

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

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2014	**2015**	**2015**
Unlisted stocks, etc.	¥4,697	**¥4,821**	**$40,120**

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

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

March 31, 2014

	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	¥ 38,314	¥ —	¥—	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	197,915	25	32	119
Short-term investment securities and investment securities				
Held-to-maturity debt securities (Corporate bonds)	4,000	17,369	—	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	40,000	—	—	—
Long-term deposits	—	5,000	—	—
Total	¥280,229	¥22,394	¥32	¥119

March 31, 2015

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

March 31, 2015

	Thousands of U.S. dollars			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	$ 333,142	$ —	$ —	$ —
Notes receivable, accounts receivable from completed construction contracts and other	1,502,374	210	244	1,010
Short-term investment securities and investment securities				
Held-to-maturity debt securities (Corporate bonds)	35,782	182,795	—	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	474,328	—	—	—
Deposits paid	41,607	—	—	—
Total	$2,387,235	$183,005	$244	$1,010

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

SECURITIES

1. Held-to-Maturity Debt Securities

March 31, 2014

	Millions of yen		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Bonds payable	¥15,001	¥15,200	¥198
Subtotal	15,001	15,200	198
(2) Securities whose market value is equal to or lower than the book value			
Bonds payable	6,452	6,366	(86)
Negotiable certificates of deposit	40,000	40,000	—
Subtotal	46,452	46,366	(86)
Total	¥61,454	¥61,567	¥112

March 31, 2015

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

March 31, 2015

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Bonds payable	$121,508	$122,819	$1,311
Subtotal	121,508	122,819	1,311
(2) Securities whose market value is equal to or lower than the book value			
Bonds payable	98,082	97,280	(801)
Negotiable certificates of deposit	474,328	474,328	—
Subtotal	572,410	571,608	(801)
Total	$693,918	$694,428	$509

2. Other Securities

March 31, 2014

	Millions of yen		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	¥69,954	¥23,402	¥41,551
Subtotal	69,954	23,402	41,551
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	2,713	3,068	(355)
Other	547	547	—
Subtotal	3,261	3,616	(355)
Total	¥68,215	¥27,019	¥41,195

March 31, 2015

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

March 31, 2015

	Thousands of U.S. dollars		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	$726,057	$228,784	$497,273
Subtotal	726,057	228,784	497,273
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	4,157	4,502	(344)
Other	4,678	4,678	—
Subtotal	8,835	9,180	(344)
Total	$734,892	$237,964	$496,928

3. Available-for-Sale Securities Sold

For the fiscal year ended March 31, 2014

	Millions of yen		
	Sold	Total gain on sales	Total loss on sales
Equity	¥518	¥219	—
Total	¥518	¥219	—

For the fiscal year ended March 31, 2015

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

For the fiscal year ended March 31, 2015

	Thousands of U.S. dollars		
	Sold	Total gain on sales	Total loss on sales
Equity	$1,002	$737	—
Total	$1,002	$737	—

4. Impairment Loss on Securities

For the fiscal year ended March 31, 2014

During the fiscal year ended March 31, 2014, the Company recognized impairment loss on securities of ¥93 million. Among available-for-sale securities, the Company recognized impairment loss of ¥27 million on stocks with market values and ¥66 million on stocks without market values.

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

For the fiscal year ended March 31, 2015

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

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

DERIVATIVE TRANSACTIONS

For the fiscal years ended March 31, 2014 and 2015

Not applicable.

RETIREMENT BENEFITS

1. Outline of the Adopted Retirement Benefit Plan

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

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

2. Defined Benefit Plan

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

	Millions of yen		Thousands of U.S. dollars
	2014	**2015**	**2015**
Opening balance of projected benefit obligations	¥112,553	**¥112,020**	**$932,180**
Cumulative effects of changes in accounting policies	—	**2,247**	**18,703**
Restated balance	112,553	**114,267**	**950,884**
Service cost	3,877	**4,445**	**36,990**
Interest cost	1,537	**1,341**	**11,165**
Actuarial loss	(1,035)	**(713)**	**(5,934)**
Retirement benefits provided	(4,912)	**(4,898)**	**(40,766)**
Closing balance of projected benefit obligations	¥112,020	**¥114,442**	**$952,338**

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

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

	Millions of yen		Thousands of U.S. dollars
	2014	**2015**	**2015**
Opening balance of plan assets	¥84,737	**¥ 95,308**	**$793,114**
Expected return on plan assets	1,682	**1,895**	**15,774**
Actuarial gain	3,857	**6,855**	**57,044**
Contribution of employer	8,975	**3,211**	**26,725**
Retirement benefits paid	(3,944)	**(3,741)**	**(31,135)**
Closing balance of plan assets	¥95,308	**¥103,529**	**$861,523**

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

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Projected benefit obligations, funded plan	¥95,183	¥ 99,036	$ 824,137
Plan assets	(95,308)	(103,529)	(861,523)
	(125)	(4,492)	(37,386)
Projected benefit obligations, unfunded plan	16,836	15,405	128,201
Net amount of liabilities and assets recognized in the consolidated balance sheets	16,711	10,913	90,815
Liabilities related to retirement benefits	17,004	15,498	128,972
Assets related to retirement benefits	(293)	(4,585)	(38,157)
Net amount of liabilities and assets recorded on the balance sheet	¥16,711	¥ 10,913	$ 90,815

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

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Service cost (Note)	¥ 3,877	¥ 4,445	$ 36,990
Interest cost	1,537	1,341	11,165
Expected return on plan assets	(1,682)	(1,895)	(15,774)
Amortization value of actuarial loss	2,721	2,338	19,461
Amortization value of prior service cost	(563)	(563)	(4,692)
Retirement benefit expenses related to defined benefit plans	¥ 5,890	¥ 5,666	$ 47,151

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

(5) Remeasurements of defined benefit plans, before tax

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

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Prior service cost	¥—	¥ 563	$ 4,692
Actuarial gains and losses	—	(9,906)	(82,441)
Total	¥—	¥(9,343)	$(77,748)

(6) Remeasurements of defined benefit plans

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

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unrecognized prior service cost	¥ (6,766)	¥(6,202)	$(51,617)
Unrecognized actuarial loss	15,475	5,568	46,340
Total	¥ 8,708	¥ (634)	$ (5,277)

(7) Items concerning plan assets

(a) Primary breakdown of plan assets

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

	2014	2015
Domestic bonds	40%	44%
Domestic equities	14	13
Foreign bonds	6	6
Foreign equities	10	10
Insurance assets (General account)	27	26
Cash and deposits	1	0
Others	2	1
Total	100	100

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

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

(8) Items concerning actuary calculation bases

Main actuary calculation bases for the current fiscal year

	2014	2015
Discount rate	1.4%, 0.8%	1.2%, 0.8%
Long-term expected rate of return	2.0%, 1.2%	2.0%, 1.2%

DEFERRED TAX ACCOUNTING

1. Principal Components of Deferred Tax Assets and Liabilities

March 31

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Deferred tax assets			
Allowance for doubtful accounts	¥ 2,460	¥ 2,136	$ 17,780
Accrued expenses	3,867	3,108	25,865
Accrued enterprise tax	580	620	5,161
Net defined benefit liability	5,970	3,735	31,084
Loss on valuation of investment securities	1,298	1,175	9,782
Loss on valuation of memberships	579	473	3,944
Impairment loss	436	391	3,256
Provision for loss on construction contracts	826	331	2,762
Unrealized gains	1,007	953	7,936
Others	4,020	3,568	29,695
Subtotal of deferred tax assets	21,047	16,495	137,268
Valuation allowance	(8,087)	(7,056)	(58,717)
Total deferred tax assets	¥ 12,959	¥ 9,439	$ 78,550
Deferred tax liabilities			
Valuation difference on available-for-sale securities	(13,581)	(18,207)	(151,514)
Reserve for advanced depreciation of noncurrent assets	(116)	(105)	(875)
Others	(186)	(380)	(3,166)
Total deferred tax liabilities	¥(13,883)	¥(18,693)	$(155,556)
Net deferred tax assets	¥ (924)	¥ (9,253)	$ (77,005)

2. Breakdown of the main factors in difference between the effective statutory tax rate and the effective tax rate after adopting tax effect accounting

March 31

2014	2015
This disclosure is omitted as the difference between the effective statutory tax rate and the effective tax rate after adopting tax effect accounting is 5% or less of the effective statutory tax rate.	This disclosure is omitted as the difference between the effective statutory tax rate and the effective tax rate after adopting tax effect accounting is 5% or less of the effective statutory tax rate.

3. Revisions to deferred tax assets and deferred tax liabilities owing to changes in corporate tax rates

The "Law for Partial Revision of Income Tax Law" (Law No. 9, 2015) and the "Act on Partial Revision of the Local Tax Act" (Law No. 2 of 2015) were promulgated on March 31, 2015, resulting in a reduction in the corporate tax rates from consolidated fiscal years beginning on or after April 1, 2015. Accordingly, the effective statutory tax rate used to measure deferred tax assets and liabilities will be reduced from 35.6% to 33.0% for temporary differences expected to be realized in the fiscal year beginning on April 1, 2015, and to 32.2% for temporary differences expected to be realized in fiscal years beginning on or after April 1, 2016.

As a result of these changes, deferred tax assets on current assets decreased ¥321 million (US$2,673 million), deferred tax assets on noncurrent assets fell ¥22 million (US$186 thousand), and deferred tax liabilities on noncurrent liabilities declined ¥1,578 million (US$13,139 thousand). Income taxes-deferred increased ¥702 million (US$5,849 thousand), valuation difference on available-for-sale securities rose ¥1,922 million (US$15,997 thousand), and remeasurements of defined benefit plans grew by ¥21 million (US$177 thousand).

ASSET RETIREMENT OBLIGATION

For the fiscal years ended March 31, 2014 and 2015

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

INVESTMENT AND RENTAL PROPERTIES

For the fiscal years ended March 31, 2014 and 2015

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

SEGMENT INFORMATION

Segment Information

For the fiscal years ended March 31, 2014 and 2015

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

Related Information

For the fiscal year ended March 31, 2014

(1) Information by products and services

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

(2) Information by geographical region

(a) Net sales

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

(b) Property, plant and equipment

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

(3) Information for main customers

	Net sales	
Customer Name	Millions of yen	Related segment
The Kansai Electric Power Co., Inc.	¥64,787	Facility Construction Business

For the fiscal year ended March 31, 2015

(1) Information by products and services

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

(2) Information by geographical region

(a) Net sales

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

(b) Property, plant and equipment

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

(3) Information for main customers

	Net sales		
Customer Name	Millions of yen	Thousands of U.S. dollars	Related segment
The Kansai Electric Power Co., Inc.	¥69,782	$580,700	Facility Construction Business

Information about Impairment Loss on Noncurrent Assets for Each Reporting Segment

For the fiscal years ended March 31, 2014 and 2015

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

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

For the fiscal years ended March 31, 2014 and 2015

Not applicable.

Information about Gain on Negative Goodwill for Each Reporting Segment

For the fiscal years ended March 31, 2014 and 2015

Not applicable.

RELATED-PARTY TRANSACTIONS

1. Transactions between Related Parties

Transactions between the Company and Related Parties

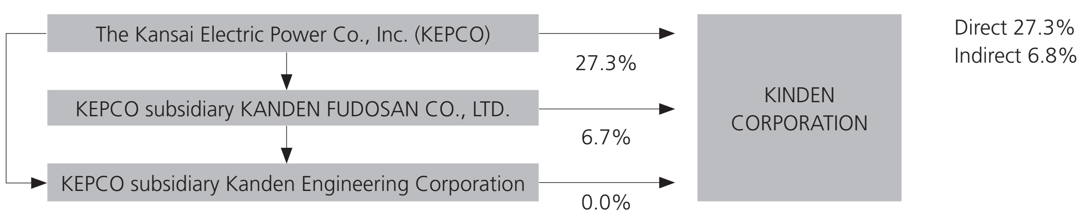
Transactions between the parent company of the Company and major shareholders (companies, etc., only), etc.

For the fiscal year ended March 31, 2014

<table>
<tr><th>Type of transaction</th><th>Name of company or individual (address)</th><th>Capital stock or investment</th><th>Description of business or position</th><th>Percentage of voting rights held</th><th colspan="2">Transactions between related parties</th></tr>
<tr><td rowspan="5">Other affiliates</td><td rowspan="5">The Kansai Electric Power Co., Inc. (Kita-ku, Osaka)</td><td>¥489,320 million</td><td>Electric power business</td><td>(Held)
Direct Indirect
27.3% 6.8%
[See Figure 1]</td><td colspan="2">Receipt of orders for power distribution lining and transmission line construction, etc.
Concurrent service of directors</td></tr>
<tr><td colspan="2">Description of transaction</td><td>Amount of transaction</td><td>Account</td><td>Balance at the end of the fiscal year</td></tr>
<tr><td rowspan="3">Operating transactions</td><td rowspan="2">Electrical projects orders</td><td rowspan="2">¥63,452 million</td><td>Accounts receivable from completed construction contracts</td><td>¥10,930 million</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥445 million</td></tr>
<tr><td>Purchases of construction materials</td><td>¥8,554 million</td><td>Accounts payable for construction contracts</td><td>¥818 million</td></tr>
</table>

(Note 1) Consumption taxes are not included in transaction amounts above, but are included in the balance at the end of the fiscal year.
(Note 2) Terms of transactions and policy for determining terms of transactions, etc.
With regard to orders for electrical construction, on which materials purchases involve the purchase of materials supplied at profit, the Company concludes construction service contracts at appropriate prices considering market prices and other factors, after negotiating costs, including on materials purchases.

Figure 1



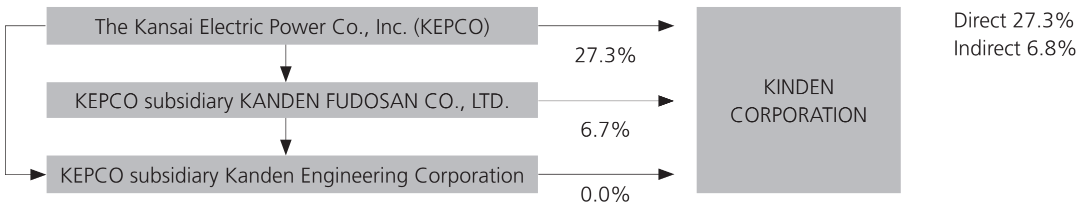
(Note 3) Percentage of voting rights held is calculated based on the number of shares with voting rights owned as of March 31, 2014.

For the fiscal year ended March 31, 2015

<table>
<tr><th>Type of transaction</th><th>Name of company or individual (address)</th><th>Capital stock or investment</th><th>Description of business or position</th><th>Percentage of voting rights held</th><th colspan="2">Transactions between related parties</th></tr>
<tr><td rowspan="5">Other affiliates</td><td rowspan="5">The Kansai Electric Power Co., Inc. (Kita-ku, Osaka)</td><td>¥489,320 million
$4,071,903 thousand</td><td>Electric power business</td><td>(Held)
Direct Indirect
27.3% 6.8%
[See Figure 1]</td><td colspan="2">Receipt of orders for power distribution lining and transmission line construction, etc.
Concurrent service of directors</td></tr>
<tr><td colspan="2">Description of transaction</td><td>Amount of transaction</td><td>Account</td><td>Balance at the end of the fiscal year</td></tr>
<tr><td rowspan="3">Operating transactions</td><td rowspan="2">Electrical projects orders</td><td rowspan="2">¥68,470 million
$569,783 thousand</td><td>Accounts receivable from completed construction contracts</td><td>¥11,908 million
$99,099 thousand</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥369 million
$3,076 thousand</td></tr>
<tr><td>Purchases of construction materials</td><td>¥11,726 million
$97,586 thousand</td><td>Accounts payable for construction contracts</td><td>¥1,268 million
$10,558 thousand</td></tr>
</table>

(Note 1) Consumption taxes are not included in transaction amounts above, but are included in the balance at the end of the fiscal year.
(Note 2) Terms of transactions and policy for determining terms of transactions, etc.
With regard to orders for electrical construction, on which materials purchases involve the purchase of materials supplied at profit, the Company concludes construction service contracts at appropriate prices considering market prices and other factors, after negotiating costs, including on materials purchases and other factors.

Figure 1



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

Transactions between the Company and companies, etc., with the same parent company and subsidiaries, etc., of other affiliates of the Company

For the fiscal year ended March 31, 2014

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

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

For the fiscal year ended March 31, 2015

Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties	
Subsidiaries of other affiliates	Kansai Power Business Support Corporation (Kita-ku, Osaka)	¥10 million $83 thousand	Money lending and payment intermedi-ation business	—	Deposit of funds	
		Description of transaction		Amount of transaction	Account	Balance at the end of the fiscal year
		Deposit of funds		¥— million $— thousand	Deposits	¥5,000 million $41,607 thousand

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

2. Notes Concerning the Parent Company or Important Affiliates

Not applicable

AMOUNTS PER SHARE

For the fiscal years ended March 31

	Yen		U.S. dollars
	2014	**2015**	**2015**
Net assets per share	¥1,565.51	**¥1,731.52**	**$14.40**
Net income per share	73.92	**94.67**	**0.78**

(Note 1) Net income per share adjusted for latent shares is not stated because there are no latent shares.

(Note 2) The basis for calculating net income per share is as follows.

	Millions of yen		Thousands of U.S. dollars
	2014	**2015**	**2015**
Net income	¥16,393	**¥20,552**	**$171,024**
Amount not attributable to ordinary shareholders	—	**—**	**—**
Net income applicable to common stock	16,393	**20,552**	**171,024**

	Thousands of shares	
	2014	**2015**
Average number of common stock outstanding for each period	221,773	**217,097**

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

	Millions of yen		Thousands of U.S. dollars
	2014	**2015**	**2015**
Total net assets	¥341,364	**¥377,659**	**$3,142,709**
Amounts deducted from total net assets	1,444	**1,925**	**16,025**
Minority interests	1,444	**1,925**	**16,025**
Total net assets related to common stock	339,920	**375,733**	**3,126,684**

	Thousands of shares	
	2014	**2015**
Number of common stock used to calculate net assets per share	217,131	**216,996**

SUBSEQUENT EVENTS

Not applicable

CONSOLIDATED SUPPLEMENTAL SCHEDULES

Schedule of Corporate Bonds

Not applicable

Schedule of Outstanding Loans, etc.

	At April 1, 2014	At March 31, 2015	Average rate	Due date
Short-term loans payable	¥16,903 million $164,235 thousand	¥17,289 million $143,872 thousand	1.501%	—
Current portion of long-term loans payable	—	—	—	—
Current portion of lease obligations	¥93 million $906 thousand	¥71 million $597 thousand	—	—
Long-term loans payable (Excluding current portion of long-term loans payable)	—	—	—	—
Lease obligations (Excluding current portion of lease obligations)	¥122 million $1,185 thousand	¥148 million $1,239 thousand	—	From 2016 to 2019
Other interest-bearing debt	—	—	—	—
Total	¥17,118 million $166,328 thousand	¥17,509 million $145,708 thousand	—	—

(Note 1) Average interest rate is weighted average interest rate for the balance of outstanding loans at the end of the fiscal year.
Average interest rate for lease obligations is not shown because the amount equivalent to interest included in total lease fees is allocated to each consolidated fiscal year using the straight-line method.
(Note 2) The aggregate annual maturities of lease obligations within five years after March 31, 2015 (except for those scheduled for repayment within one year) are as follows:

	Over 1 to within 2 years	Over 2 to within 3 years	Over 3 to within 4 years	Over 4 to 5 within years
Lease obligations	¥72 million $602 thousand	¥48 million $404 thousand	¥20 million $169 thousand	¥7 million $63 thousand

Schedule of Asset Retirement Obligations

Not applicable.

OTHERS

Quarterly Information for the Fiscal Year ended March 31, 2015

(Cumulative period)	One quarter	Two quarters	Three quarters	Full year
Net sales	¥91,841 million $764,260 thousand	¥199,684 million $1,661,681 thousand	¥314,526 million $2,617,346 thousand	¥467,972 million $3,894,257 thousand
Income before income taxes and minority interests	¥3,050 million $25,385 thousand	¥9,951 million $82,813 thousand	¥17,661 million $146,971 thousand	¥32,211 million $268,052 thousand
Net income	¥1,487 million $12,382 thousand	¥5,966 million $49,654 thousand	¥10,984 million $91,409 thousand	¥20,552 million $171,024 thousand
Net income per share	¥6.85 $0.05	¥27.48 $0.22	¥50.59 $0.42	¥94.67 $0.78

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Net income per share	¥6.85 $0.05	¥20.63 $0.17	¥23.11 $0.19	¥44.08 $0.36

Independent Auditors' Report

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

To the Board of Directors of
KINDEN CORPORATION

We have audited the accompanying consolidated balance sheets of KINDEN CORPORATION and consolidated subsidiaries (the "Company") as of March 31, 2015, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of KINDEN CORPORATION and consolidated subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

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

PKF Hibiki Audit Corporation

June 24, 2015
PKF HIBIKI AUDIT CORPORATION

Non-Consolidated Balance Sheets

KINDEN CORPORATION
March 31, 2014 and 2015

ASSETS	Millions of yen 2014	Millions of yen 2015	Thousands of U.S. dollars 2015
CURRENT ASSETS:			
Cash and deposits	¥ 15,293	¥ 15,547	$ 129,383
Notes receivable–trade	10,362	13,640	113,512
Accounts receivable from completed construction contracts	166,059	144,150	1,199,552
Short-term investment securities	40,000	57,000	474,328
Costs on uncompleted construction contracts	12,701	10,397	86,524
Raw materials and supplies	1,736	1,826	15,201
Deferred tax assets	5,323	3,963	32,978
Deposits paid	—	5,000	41,607
Other	6,002	4,252	35,391
Allowance for doubtful accounts	(4,132)	(3,674)	(30,577)
Total current assets	253,348	252,105	2,097,903
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings	75,822	75,967	632,169
Accumulated depreciation	(49,456)	(50,740)	(422,243)
Buildings, net	26,366	25,226	209,926
Structures	5,344	5,353	44,549
Accumulated depreciation	(4,759)	(4,822)	(40,131)
Structures, net	584	530	4,417
Machinery and equipment	1,972	1,961	16,319
Accumulated depreciation	(1,589)	(1,600)	(13,321)
Machinery and equipment, net	382	360	2,998
Vehicles	15,923	16,634	138,426
Accumulated depreciation	(14,107)	(14,757)	(122,805)
Vehicles, net	1,816	1,877	15,621
Tools, furniture and fixtures	9,769	9,459	78,714
Accumulated depreciation	(8,918)	(8,674)	(72,188)
Tools, furniture and fixtures, net	850	784	6,526
Land	55,456	55,413	461,123
Total property, plant and equipment	85,456	84,192	700,614
INTANGIBLE ASSETS:			
Leasehold right	117	117	981
Telephone subscription right	149	149	1,240
Software	1,160	1,241	10,330
Total intangible assets	1,427	1,508	12,552
INVESTMENTS AND OTHER ASSETS:			
Investment securities	89,568	113,773	946,774
Stocks of subsidiaries and affiliates	4,753	4,927	41,006
Long-term deposits	5,000	—	—
Long-term loans receivable	64	14	117
Long-term loans receivable from employees	10	9	75
Long-term loans receivable from subsidiaries and affiliates	27,702	24,888	207,112
Claims provable in bankruptcy, claims provable in rehabilitation and other	24	4	33
Long-term prepaid expenses	95	89	747
Prepaid pension cost	7,704	2,829	23,546
Other	9,412	9,277	77,199
Allowance for doubtful accounts	(4,605)	(3,680)	(30,629)
Total investments and other assets	139,731	152,133	1,265,984
Total noncurrent assets	226,615	237,834	1,979,151
Total assets	¥479,963	¥489,939	$4,077,054

LIABILITIES AND NET ASSETS	Millions of yen 2014	Millions of yen 2015	Thousands of U.S. dollars 2015
CURRENT LIABILITIES:			
Notes payable–trade	¥ 2,121	¥ 2,578	$ 21,454
Accounts payable for construction contracts	70,325	57,062	474,849
Short-term loans payable	15,360	15,510	129,067
Accounts payable–other	7,278	7,161	59,598
Accrued expenses	10,185	8,765	72,942
Income taxes payable	7,150	7,561	62,927
Advances received on uncompleted construction contracts	8,406	7,757	64,550
Provision for loss on construction contracts	1,949	758	6,311
Provision for warranties for completed construction	214	269	2,238
Provision for directors' bonuses	81	77	646
Other	4,491	3,606	30,015
Total current liabilities	127,565	111,109	924,602
NONCURRENT LIABILITIES:			
Deferred tax liabilities	10,460	14,288	118,900
Provision for retirement benefits	14,417	13,136	109,318
Other	670	835	6,953
Total noncurrent liabilities	25,547	28,260	235,172
Total liabilities	153,112	139,370	1,159,775
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 218,141,080 shares (2015)	26,411	26,411	219,784
Capital surplus	29,657	29,657	246,796
Retained earnings	244,444	254,955	2,121,622
Treasury stock	(802)	(978)	(8,145)
Total shareholders' equity	299,710	310,045	2,580,057
VALUATION AND TRANSLATION ADJUSTMENTS:			
Valuation difference on available-for-sale securities	27,140	40,524	337,222
Total valuation and translation adjustments	27,140	40,524	337,222
Total net assets	326,851	350,569	2,917,279
Total liabilities and net assets	¥479,963	¥489,939	$4,077,054

Non-Consolidated Statements of Income

KINDEN CORPORATION
For the fiscal years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net sales of completed construction contracts	¥448,275	¥403,363	$3,356,608
Cost of sales of completed construction contracts	393,987	344,726	2,868,658
Gross profit on completed construction contracts	54,288	58,637	487,950
Selling, general and administrative expenses	33,550	36,172	301,010
Operating income	20,738	22,464	186,939
Non-operating income:			
Interest income	409	382	3,184
Interest on securities	268	234	1,947
Dividends income	1,663	2,126	17,696
Foreign exchange gains	384	726	6,044
Other	692	566	4,712
Total non-operating income	3,418	4,035	33,585
Non-operating expenses:			
Interest expenses	260	256	2,133
Provision of allowance for doubtful accounts	120	62	523
Condolence money	118	70	582
Other	269	165	1,376
Total non-operating expenses	769	554	4,616
Ordinary income	23,387	25,945	215,908
Extraordinary income:			
Gain on sales of noncurrent assets	150	275	2,295
Gain on sales of investment securities	13	88	737
Gain on sales of memberships	47	21	175
Total extraordinary income	212	385	3,209
Extraordinary loss:			
Loss on sales of noncurrent assets	302	6	53
Loss on retirement of noncurrent assets	65	91	763
Impairment loss	15	28	235
Loss on valuation of investment securities	93	—	—
Loss on sales of memberships	2	5	45
Loss on valuation of memberships	1	6	57
Surcharge	471	—	—
Total extraordinary losses	952	138	1,156
Income before income taxes	22,647	26,192	217,961
Income taxes:			
Income taxes–current	7,383	8,543	71,092
Income taxes–deferred	2,116	1,565	13,027
Total income taxes	9,499	10,108	84,119
Net income	¥ 13,148	¥ 16,083	$ 133,841

	Yen		U.S. dollars
	2014	2015	2015
Amounts per common share:			
Net income	¥59.29	¥74.09	$0.61
Cash dividends	18.00	20.00	0.16

Board of Directors and Corporate Auditors

As of June 24, 2015

Chairman:	NORIHIKO SAITO
President:	YUKIKAZU MAEDA
Vice Presidents:	MITSUNORI KAWAGUCHI SUMIO URASHIMA
Directors:	HIDETAKA MAEDA** KOUJI ISHIDA** YOSHIO OHNISHI** KENJI KOBAYASHI* SHIRO MATSUO*
External Directors:	HARUNORI YOSHIDA▪ HANROKU TORIYAMA▪
Standing Corporate Auditor:	YUICHI MIYAJI
External Standing Corporate Auditor:	KAORU WADA
Corporate Auditor:	IKUZO SATAKE
External Corporate Auditors:	HIDEKI TOYOMATSU SHIGEKI IWANE

** Senior managing executive officer, * Managing executive officer

▪ Independent director

Reasons for Appointment of Independent Directors

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

Corporate Data

Name:	KINDEN CORPORATION
Date of establishment:	August 26, 1944
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:** Kizugawa, Kyoto, Japan
Training centers:	**Kinden Gakuen:** Nishinomiya, Hyogo, Japan
	Human Resources Development Center: Inzai, Chiba, Japan
Capital:	¥26,411,487,018 (As of March 31, 2015)
Construction business license:	Construction License of the Ministry of Land, Infrastructure, Transport and Tourism Special Construction License—23, No. 114, 13 classifications Special Construction License—26, No. 114, one classification
Employees:	7,105 (As of March 31, 2015)
URL:	http://www.kinden.co.jp/
Business areas:	Installation, maintenance, 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

Network

As of July 31, 2015

OVERSEAS OFFICES

Hong Kong Office

Singapore Office

Guam Office

Saipan Office

Egypt Office

Dubai Office (UAE)

Yangon Office (Myanmar)

Shanghai Liaison Office (China)

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 9693, U.S.A.

Kinden International, Ltd.
Rm 1301-1306 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
5FL ODC International Plaza, 219 Salcedo St.,
Legaspi Village, Makati City, Philippines

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

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

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

DOMESTIC NETWORK

Osaka Head Office

Tokyo Head Office

Kyoto Institute

Kinden Gakuen

Human Resources Development Center

Hokkaido Branch Office
Sub-branch Offices: Tomakomai, Donan,
Doto, Dohoku

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

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

Yokohama Branch Office
Sub-branch Office: Atsugi

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

Shiga Branch Office
Sub-branch Offices: Nagahama, 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, Namba,
Higashi-Osaka, Minami-Osaka, Kongo, Wakasa,
Nagoya, Power Communication Construction

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

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

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

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

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

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

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

DOMESTIC SUBSIDIARIES AND AFFILIATES

Kinden Shoji Company, Limited

Nishihara Engineering Co., Ltd.

Kinden Tokyo Services Company, Incorporated

Kinden Chubu Services Company, Incorporated

Kinden Kansai Services Company, Incorporated

Kinden Nishinihon Services Company, Incorporated

Kinden Services Company, Incorporated

Aleph Networks Corporation

Shirama Wind Farm Co., Ltd.

Shiratakiyama Wind Farm Co., Ltd.

Nishihara Construction Co., Ltd.

Estanine Co., Ltd.

KINKA Corporation

KINDEN CORPORATION

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/

July 2015
Printed in Japan