ANNUAL REPORT 2025

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PROFILE

Since our establishment in 1944 to undertake the construction of urban and corporate infrastructure, Kinden Corporation has expanded our business as a company established to benefit the public, and we celebrated our 80th anniversary in September 2024. Even amidst the rapid changes of today, Kinden has grown into one of Japan's leading integrated electrical and facility engineering companies with a nationwide business structure by demonstrating a future-oriented entrepreneurial spirit and picking up on the needs of the market. Kinden also expanded overseas in the 1950s ahead of competitors in the industry, and we have built up over 60 years of experience and credentials in a little over 90 countries around the globe, including such locations as Hawaii, Guam, countries in Asia, the Middle East and Africa. In recent years, Kinden has expanded proactively into the installation of social infrastructure, primarily in Southeast Asia.

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

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

Message from the President

Business Results in the Year Ended March 2025 Sales and profits both reach record highs

During the fiscal year ended March 31, 2025, the Japanese economy showed signs of improvement in corporate earnings due to such factors as the ongoing pass-through of prices and the impact of the weakening yen. In the construction industry, despite persistently high construction costs and other lingering difficulties, construction demand trended firmly, as the willingness of companies to make investments remained strong against a backdrop of favorable business performance.

Under these circumstances, Kinden, which primarily undertakes construction and maintenance work for infrastructure-related equipment such as electrical equipment, made proactive investments for growth and engaged in business activities leveraging the combined strengths of the Group.

As a result, Kinden achieved record highs for both net sales and profits, as consolidated net sales increased 7.7% from the previous year to ¥705,058 million, operating profit increased 42.9%, to ¥60,979 million, and profit attributable to owners of parent increased 40.8%, to ¥47,250 million.

On a non-consolidated basis, net sales increased 6.4%, to ¥595,918 million, operating profit increased 51.7%, to ¥52,386 million, and profit increased 42.3%, to ¥42,374 million. Looking at net sales of completed construction contracts by customers, The Kansai Electric Power Company, Kansai Electric Power Group companies and other general customers accounted for 14.3%, 2.7% and 83.0% of these

sales, respectively.

Looking at net sales of completed construction contracts by the construction sector, sales in the Power Distribution Lining business increased 4.3%, to ¥77,150 million, due to an increase in construction work for Kansai Transmission and Distribution, Inc. Sales in the Electrical business increased



8.5%, to ¥404,667 million, due to an increase in production factories. Sales in the Information & Communications Network business decreased 14.3%, to ¥44,594 million due to a decline in mobile phone-related facilities and CATV facilities. Sales in the Environmental Management Facilities business increased 18.7%, to ¥49,186 million due to an increase in production factories.

Sales in the Electric Power & Others business increased 3.7% year on year, to ¥20,319 million, due to an increase in overhead power transmission work.

Profit attributable to owners of parent per common share increased ¥70.92 year on year on a consolidated basis to ¥236.26. On a non-consolidated basis, profit per common share increased ¥65.14 to ¥211.88.

Return to Shareholders and Dividend Policy Increased dividends by ¥27.00 and paid a full-year dividend of ¥90.00 per common share

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

We consider the distribution of profits to shareholders as one of our important management issues in the future as well. Kinden also maintains the fundamental policy of placing top priority on stable and sustainable dividends for shareholders, with a dividend policy that also takes into account business results and financial performance. In addition, we have an interim dividend system in place to increase opportunities to distribute profits and aim to achieve shareholder-focused management by, for example, paying memorial dividends when we reach a milestone or celebrate an anniversary.

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

Based on this policy and on Kinden's Capital Policy, Kinden planned to pay a year-end dividend of ¥42 per share (ordinary dividend of ¥37 and an 80th anniversary commemorative dividend of ¥5) for the fiscal year. However, upon taking into consideration the business performance during the fiscal year, we decided to increase the dividend by ¥8 to ¥50 per share (ordinary dividend of ¥45 and an 80th anniversary commemorative dividend of ¥5). As a result, we paid an annual dividend of ¥90 per share (ordinary dividend of ¥80 and an 80th anniversary commemorative dividend of ¥10), including an interim dividend per share of ¥40 (ordinary dividend of ¥35 and an 80th anniversary commemorative dividend of ¥5).

Kinden plans to pay an annual dividend of \$100 per share for the fiscal year ending March 31, 2026. This will include an interim dividend of \$50 and a year-end dividend of \$50.

Strategy for Enhancing Value on a Medium-term Basis Accelerating growth strategies to achieve targets

In April 2021, Kinden launched a six-year Medium-term Management Plan with the goal of realizing its 2026 Growth Vision of "management that generates consolidated sales on a scale of ¥700,000 million." Within this plan, the Group is working as one in promoting management strategies consisting of its Business Strategy, Environmental Strategy, Human Resources and Workstyle Strategy, and Corporate Strategy.

During the three-year period of the first half of the plan, Kinden achieved steady progress in establishing its business foundation. We have positioned the final three years as a "period for taking on the challenge of making a great leap forward." Kinden will vigorously promote its core business strategies as well as each strategy for supporting these. During the current fiscal year, which marks the second year of the latter half of the plan, Kinden will accelerate each of its initiatives and further strengthen its profit-generating capabilities toward realizing its Growth Vision.

Regarding its Business Strategy, Kinden is actively pursuing initiatives that will contribute to its sustainable growth and development. To this end, we continue to focus on establishing and expanding the business foundations that will be essential for further broadening our existing business. As one of our strategies to deepen ties with the local community and expand our business, we made KITA KOUDENSHA, Co., Ltd. (an electrical equipment construction company in Hokkaido) a Kinden subsidiary in April 2025. Additionally, we are progressing with the construction of a new metropolitan office (Toyosu, Tokyo) crucial for expanding our existing business in the greater Tokyo area. We aim for completion in fiscal 2025.

One of our key themes is Challenging New Fields.

In this area, we are actively involved with GX- (Green Transformation) related construction projects, including renewable energy-related construction projects such as wind power and power storage plant construction, as we work toward realizing a carbon-neutral society.

Kinden is also actively deploying its Energy Management Service (EMS-AI), which utilizes AI technology for optimal control of air conditioning facilities, storage batteries, and power generation equipment. This EMS-AI is currently undergoing demonstration testing at the 2025 Japan World Expo (Osaka-Kansai Expo) held from April 2025.

Turning to our Environmental Strategy, we established the Carbon Neutral Promotion Committee and are undertaking a variety of activities to achieve our target of reducing CO₂ emissions by 50% by fiscal 2030 (compared with fiscal 2020 levels).

Regarding our Human Resources and Workstyle Strategy, we place "Human Resources and Heart" at the core of our management and implement a variety of activities to promote the active roles of our human resources. These activities include recruiting a large number of human resources (hiring over 400 new graduates each year), strengthening human resource development (establishing educational facilities and systems looking ahead to the next 40 to 50 years, including rebuilding Kinden Academy), reducing work hours, and utilizing DX (Digital Transformation).

For our Corporate Strategy, we are working to strengthen compliance and governance while formulating a corporate slogan and statement and are working on a new branding strategy to increase awareness and penetration of the Kinden Brand

Forecast for the Fiscal Year Ending March 31, 2026 Continue to invest in growth and aim for even greater heights

In the construction industry there are concerns that rising material and labor costs and reciprocal tariffs imposed by the United States will restrain capital investment by companies in the year ending March 31, 2026. Nonetheless, the environment for orders is expected to generally trend firmly against a background of favorable demand.

In this environment, we will continue to invest in growth, centered on our human resources, and strive to reach even greater heights while co-creating value with all stakeholders.

For the fiscal year ending March 31, 2026, we forecast consolidated net sales of ¥730,000 million, an increase

3.5%; operating profit of ¥67,000 million, up 9.9%; and net income attributable to owners of parent of ¥52,000 million, up 10.1%. I would like to ask our shareholders and investors for your continued understanding and support.

June 2025

Takao Uesaka President, Representative Director

Takao Viesaka

SPECIAL FEATURE

Updating Our Capital Policy under the Medium-term Management Plan

Reflecting dialogue with capital markets in our initiatives for increasing corporate value

Within "Growth Investments in the Medium-term Management Plan and Initiatives to Enhance Corporate Value" announced in January 2024, Kinden presented its "Approach to Capital Policy," which stipulates strengthening shareholder returns based on the "Approach to Value Co-creation with Multi-stakeholders" and "Growth Investments Centered on Human Resources." Subsequently, while adhering to our financial policy of firmly maintaining a stable financial base, we will steadily strengthen our medium-to-long-term profit-generating capabilities through growth investments centered on human resources toward attaining sustainable growth and development. Concurrently, Kinden is strengthening shareholder returns and reducing cross-shareholdings, thereby ensuring that ROE exceeds the cost of shareholders' equity. Alongside these initiatives to raise corporate value, we continually consider further initiatives regarding "Kinden's Approach to Capital Policy" based on dialogue with capital markets. To this end, in January 2025 we disclosed our "Capital Policy in the Medium-term Management Plan –Update based on dialogue with the capital markets—," which focuses on reducing cross-shareholdings and improving capital efficiency as initiatives for increasing corporate value.

Aiming for Cross-shareholdings of 10% of Net Assets and ROE of 7% or More

Regarding its cross-shareholdings, Kinden examines the appropriateness of holding each cross-held stock upon considering such factors as stock prices, its trading history with the relevant business partners, the risk and return of holding the shares, and our long-term trading relationship with such partners.

In keeping with this approach, during 2024 we disclosed a plan for reducing cross-shareholdings to 88 cross-held stocks by fiscal 2026 from 117 such stocks held in fiscal 2022 (reduction amount of approximately ¥11 billion). In 2025, we are further accelerating the speed of this reduction and are progressing toward our target of reducing cross-shareholdings to 10% of net assets by fiscal 2026.

Kinden is also focusing on capital efficiency. In 2024, Kinden announced it would maintain efforts to improve capital efficiency from a medium-to- long-term perspective and ensure that ROE exceeds the cost of shareholders' equity. In 2025, we set a target of ROE of 7% or more upon comprehensively considering such factors as the sustainable, long-term growth of our business; necessary internal investments in our business foundation and human capital; securing liquidity on hand; and the level of shareholder returns.

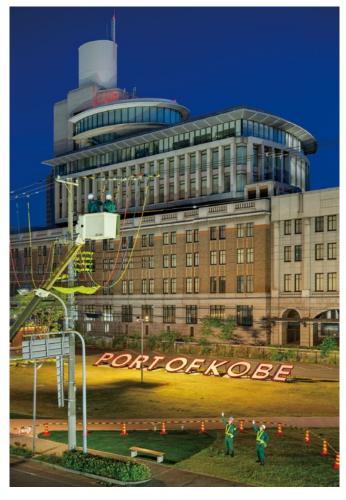
We will continue our fiscal 2026 Growth Vision and shareholder return policy, aiming to attain the respective targets of management with consolidated sales of on a scale of ¥700 billion as well as a dividend payout ratio of 40% and a total payout ratio 50% to 60% on a total basis during the period of our Medium-term Management Plan (FY2023-FY2026: since announcing the capital policy).

Capital policy update (targets during the Medium-term Management Plan)

ltem		Initiatives toward FY2026									
	item	Before update (disclosed in January 2024)	After update (disclosed in January 2025)								
Conti- nuing	FY2026 Growth Vision	"Aiming for management with consol	lidated sales of on a scale ¥700 billion"								
Update	Reduction of cross-shareholdings	Plan to reduce cross-shareholdings to 88 stocks from 117 stocks in FY2022	Accelerate reduction of cross-shareholdings, aiming to reduce cross-shareholdings to approximately 10% of net assets								
Conti- nuing	Shareholder returns		total payout ratio 50% to 60% on a total basis Management Plan from FY2023 to FY2026								
Update	Capital efficiency	Ensure ROE exceeding cost of shareholders' equity	Target for the initiative to improve capital efficiency: ROE of 7% or more								

RECENT MAJOR PROJECTS

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



Power Distribution Lining

Installation work on power distribution line of The Kansai Transmission and Distribution, Inc. (Hyogo)



Electrical

Grand Green Osaka (Osaka)



Information & Communications Network ©Expo 2025

Expo 2025 Osaka, Kansai, Japan infrastructure sharing work (Sharing Design Inc.) (Osaka)



Environmental Management Facilities

Mitsui Outlet Park Marine Pia Kobe (Hyogo)



Electric Power & Others

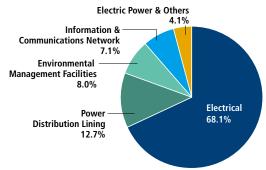
Sujakuno Line improvement work (two sections of conduit line) (Kyoto)

REVIEW OF OPERATIONS (Non-Consolidated)

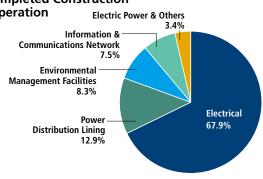
■ Review of Operations (Non-Consolidated)

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

Construction Orders







Power Distribution Lining

Orders received increased 7.4% year on year to ¥78,384 million, and net sales of completed construction contracts rose 4.3% year on year to ¥77,150 million. The increase in orders received and net sales of completed construction contracts is mainly attributable to a rise in the amount of construction work for Kansai Transmission and Distribution, Inc. The Power Distribution Lining segment has been one of the Group's stable business platforms, and electric power companies are expected to continue to systematically implement capital investment with the aim to strengthen their power transmission and distribution networks. Moreover, in other power distribution-related works not associated with Kansai Transmission and Distribution, Inc., we are striving to win orders for the removal of roadside utility poles and lay the lines, high-voltage bulk electric power receiving works for apartment buildings, high-voltage electric power receiving works for convenience stores, and electric vehicle quick charger works. In particular, the Group is focusing on strengthening its business in the Kanto area.

Orders and Sales

Millions of yen



Electrical

Orders received increased 14.3% year on year to ¥421,762 million, and net sales of completed construction contracts rose 8.5% year on year to ¥404,667 million. The main factors contributing to the increase in orders received included a rise in the number of educational and cultural facilities and factories. The increase in net sales of completed construction contracts is mainly because of an increase in the number of factories. We will continue to step up our marketing activities for data centers and logistics facilities, demand for which remains at high levels, large-scale buildings in the Tokyo Metropolitan Area where development has been underway, factories in which manufacturers are actively investing to strengthen growth areas, and other areas. In terms of overseas works, with long-term business development overseas continuing to be one of our business strategies, we will also make an effort to expand orders received by working closely with communities in countries where economic growth is expected in addition to focusing on Japanese-owned private factories and large-scale commercial facilities mainly in Asia.

Orders and Sales



Information & Communications Network

Orders received decreased 2.0% year on year to ¥43,810 million. Net sales of completed construction contracts declined 14.3% from the previous year to ¥44,594 million. The main factors for the decrease in orders received included a decrease in the amount of mobile phone-related work. The drop in net sales of completed construction contracts is mainly due to a decrease in the amount of mobile phone-related work and CATV equipment. Going forward, as mobile carriers are expected to limit capital investment in terms of mobile phone-related work, we will also focus on securing orders for other information infrastructure-related work which includes government and municipal projects, digital wireless activated disaster warning systems and security surveillance equipment as well as the installation of LANs and other local area network.

Orders and Sales Millions of yen



Environmental Management Facilities

Orders received decreased 4.8% year on year to ¥49,618 million, and net sales of completed construction contracts increased 18.7% year on year to ¥49,186 million. The main factors contributing to the decrease in orders received included a decline in the number of office buildings. The increase in net sales of completed construction contracts is mainly attributable to a rise in the number of factories. Going forward, with the Greater Metropolitan Area and the Kansai area being our operational bases, we will focus efforts on securing orders related to data center projects in addition to our traditional focus on health and medical facilities, commercial and entertainment facilities, factories and logistics facilities. We will also attempt to expand orders through proactive proposals to customers related to energy-saving and business continuity planning (BCP) measures.

Orders and Sales

Millions of ven



Electric Power & Others

Orders received increased 17.8% year on year to ¥25,585 million. Net sales of completed construction contracts increased 3.7% from the previous year to ¥20,319 million. The main factors for the increase in orders received included an increase in the amount of power stations and substations work, while the increase in net sales of completed construction contracts is attributable to a rise in the amount of overhead power line projects. Going forward, we will strive to secure orders for renewable energy related facilities work such as for wind power generation facilities as well as secure orders for construction work for improving safety such as to replace aging power lines and electrical transmission tower reconstruction. We also aim to receive orders for construction work on power storage stations, as demand is expected to increase.

Orders and Sales Millions of yen

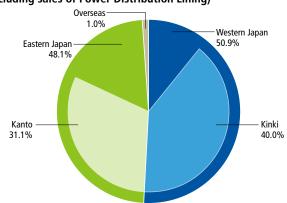
Orders Sales

■ Composition of Non-Consolidated Net Sales, Contract Backlog by Operation and Shareholding Ratio (Fiscal 2025)

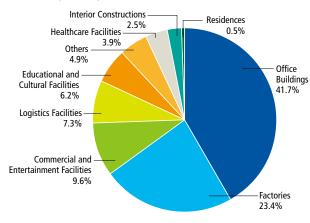


Kansai Electric Power* 14.3% Kansai Electric Power Group Companies 2.7% Other Customers 83.0%

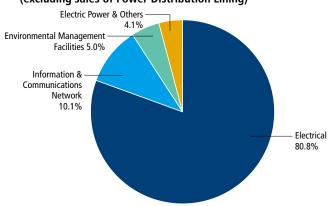
Net Sales by Region (excluding sales of Power Distribution Lining)



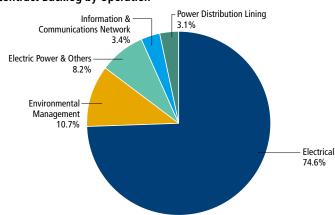
Net Sales by Facility (Electrical)



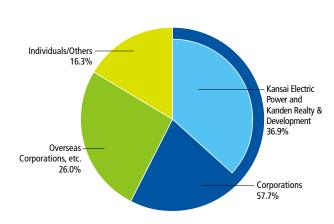
Net Sales of Renewal Construction by Operation (excluding sales of Power Distribution Lining)



Contract Backlog by Operation



Shareholding Ratio



^{*} Includes Kansai Transmission and Distribution, Inc.

TOPICS

Formulating Our Corporate Slogan "Building Better Futures for All" Toward spreading awareness and raising recognition of the Kinden brand

Kinden has formulated its corporate slogan/corporate statement Building Better Futures for All, with the aim of communicating the details of its businesses as well as its thinking and our appeal to all stakeholders.

The establishment of the corporate slogan/statement serves as one of our branding strategies to spread awareness and raise recognition of the Kinden brand, which we are implementing under the Medium-term Management Plan, "The Sustainable Growth 2026 – Human Resources, Heart, and Toward the Future."

The concept of our corporate slogan is that all Kinden's businesses are connected to making the future better for its stakeholders and through this concept we seek to have stakeholders recognize Kinden's purpose of existence for society and its future potential. Additionally, by including the word "Building" in the slogan, Kinden expresses its business domains and conveys a dynamic image.

Our corporate statement uses easy-to-understand wording that is closely related to people's daily lives to properly convey the intent of the corporate slogan and the value and appeal of Kinden. It also incorporates the message that "people and hearts" are at the core of our management. Kinden will share the thoughts encapsulated in its corporate slogan/statement with all members of the Group while undertaking a variety of communication activities.

Building Better Futures for All



Logo mark and corporate slogan

Making KITA KOUDENSHA Corporation a Subsidiary All shares transferred from Mitsubishi Electric Corporation

Kinden and Mitsubishi Electric Corporation reached an agreement for Mitsubishi Electric to transfer all of its shares in KITA KOUDENSHA, Co., Ltd. to Kinden. The share transfer was completed in April 2025.

Founded in 1951, KITA KOUDENSHA is an electrical equipment construction company in Hokkaido that engages in indoor wiring installation, electric power-related work, and the purchase and sale of industrial equipment. KITA KOUDENSHA has a proven track record of construction projects, a solid customer base, abundant technical personnel, and a robust construction system and has established a top-class position in Hokkaido.

To further expand its existing businesses, Kinden is working to enhance and broaden its business base by extending its business area to include the Tokyo metropolitan area, deepening ties with the local community, and strengthening collaboration among regions.

This recent share transfer is part of these efforts. In the Hokkaido area, strong demand for construction projects, including redevelopment, as well as the revitalization of renewable energy projects are expected to drive future robust market growth in the future.

By welcoming KITA KOUDENSHA into the Kinden Group, Kinden will mutually complement, share, and leverage the management resources of both companies as well as further strengthen its regional ties and enhance its business foundation in the Hokkaido region. This will enable Kinden to increase the number of orders it receives in the Hokkaido area and establish a strong presence for the entire Group.



President Takao Uesaka (center) shaking hands with KITA KOUDENSHA President Tomoaki Sato (left) and Director Naoki Mabuchi (right)

CORPORATE GOVERNANCE As of June 26, 2025

Main Policies

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

The Company has adopted the Audit & Supervisory Board Member system. Based on the system shown below, the Company seeks to enhance its monitoring function over management activities in cooperation with accounting auditors and the internal auditing department.

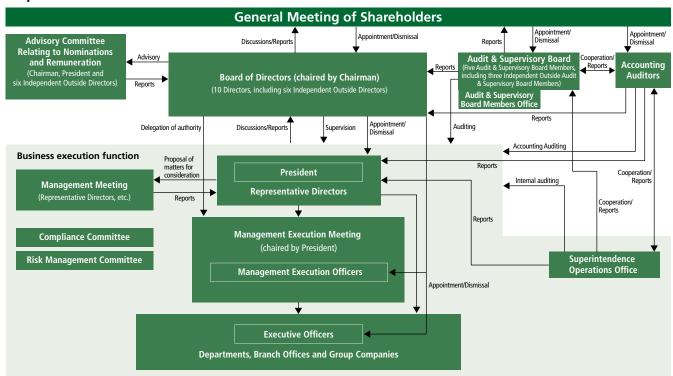
The Company has introduced a Management Execution Officer system to establish a system where the Board of Directors focuses on oversight, and the executive body concentrates on business execution. The goal is to clarify oversight and execution roles. The Company aims to enhance the supervisory function of the Board of Directors and to speed up the executive body's execution of business operations and strengthen its functions.

Corporate Governance System

Overview of the Corporate Governance System

Institutional design	A company with Audit & Supervisory Board Members
Chairman of the Board	Yoshihiro Doi (Chairman)
Number of Directors	10 (including Six Outside Directors)
Directors' terms of office	One year
Number of Audit & Supervisory Board Members	Five (including three Outside Audit & Supervisory Board Members)
Audit & Supervisory Board Members' term of office	Four years
Appointment of Independent Officers	Six Outside Directors, Three Outside Audit & Supervisory Board Members
Key meetings attended by Audit & Supervisory Board Members	Board of Directors, Audit & Supervisory Board
Accounting auditor	PKF Hibiki Audit Corporation

Corporate Governance Structure



Overview of Main Meetings and Committees

Management	Purpose: To deliberate the promotion of concrete management activities and the establishment of policies and plans affecting general company management other than important matters requiring the Board of Directors' Meeting resolutions as stipulated in the Companies Act
	Held: Semimonthly; Participants: Management Execution Officers
Management	Purpose: To deliberate management policies critical for the Company including proposals to the Management Execution Meeting
Meeting	Held: Semimonthly; Participants: Representative Directors
	Purpose: To strengthen the compliance function
	Held: Semiannually; Participants: Members of the Management Meeting, Audit & Supervisory Board Member representatives and executive officers in charge of compliance
Risk Management	Purpose: To strengthen the risk management function
Committee	Held: Semiannually; Participants: Officers in charge, Major Department Managers of Head Office
Relating to	Purpose: To strengthen the independence, objectivity and accountability of the Board of Directors' Meeting function, specifically with respect to important matters including the appointment of directors and Audit & Supervisory Board Members and director remuneration
Remuneration	Participants: Chairman, President and six Independent Outside Directors

Status of Enhancement of the Risk Management System

The Company has instituted a Compliance Committee to enhance compliance functions. It has also set up a Risk Management Committee in an effort to strengthen risk management functions.

Audit & Supervisory Board and Internal Audits

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

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

with both directors and auditors of subsidiaries.

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

Internal audits are conducted by the Superintendence Operations Office, a section under the direct control of the President, and they include periodic audits of business operations to assess the status of development and operation of internal control systems (appropriateness and efficiency of work processes, etc.) and audits of specific items as specially instructed. The results are reported to President and Audit & Supervisory Board Members as well as the Board of Directors and the Audit & Supervisory Board.

Relationships with Outside Directors and Outside Audit & Supervisory Board Members

With respect to Outside Directors Hanroku Toriyama, Keiji Takamatsu, Kazunobu Sagara, Haruko Kokue, Fumi Musashi and Miyuki Ishihara as well as Outside Audit & Supervisory Board Members Masami Yoshioka, Toshimitsu Kamakura and Isamu Osa, there are no personal relationships, capital relationships, business relationships or other

special interests between Kinden and these individuals or the organizations to which they belong. They have been appointed and reported as independent directors in accordance with criteria set forth by the financial instruments exchange, and there is no risk of conflicts of interest with general shareholders.

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

Hanroku Toriyama

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

Keiji Takamatsu

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

Kazunobu Sagara

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

Haruko Kokue

Ms. Haruko Kokue has led domestic and overseas sales operations, supply chain management, CSR, public and investor relations and the overseas business of Mitsui Chemicals, Inc. She has been appropriately advising the Company on its management based on her extensive professional experience and a wide range of knowledge and insight in these fields. We have deemed that she is a person suitable to be an Outside Director and we have selected her as a Director. We expect she will continue to appropriately advise the Company on its management from an independent and objective standpoint based on her extensive professional experience and a wide range of knowledge and insight in the management, supervision, etc. of corporate governance.

Fumi Musashi

Ms. Fumi Musashi has engaged in the overseas business of Chori Co., Ltd. over a long period of time and became Chairman and President of Chori (China) Co., Ltd. in 2018, a subsidiary of Chori Co., Ltd. She has been appropriately advising the Company on its management based on her extensive experience in overseas business and a wide range of knowledge and insight into global corporate management. We have deemed that she is a person suitable to be an Outside Director and we have selected her as a Director. We expect she will continue to appropriately advise the Company on its management from an independent and objective standpoint based on her extensive professional experience in overseas business and a wide range of knowledge and insight into global corporate management.

Miyuki Ishihara

Mr. Miyuki Ishihara served as Representative Director, President and CEO, and Director and Chairman of the Board at UACJ Corporation. He was responsible for steering the company's overall management and worked hard to increase its corporate value. He has extensive business experience and excellent knowledge and insight regarding general management. We have deemed that he is a person suitable to be an Outside Director and have selected him as a Director. We expect that he will appropriately advise the Company on its management from an independent and objective standpoint by utilizing his extensive professional experience as an executive and excellent knowledge and insight regarding general management.

Director Remuneration

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

	Total remuneration	Total remuneration	Number of		
Executive director category		Fixed remuneration	Performance-based remuneration	Non-monetary remuneration, etc.	applicable executive officers
Directors (Excluding Outside Directors)	631	427	135	68	11
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	74	74	_	_	3
Outside Directors and Outside Audit & Supervisory Board Members	67	67	_	_	9

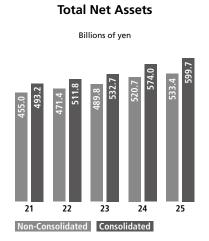
Auditor Remuneration

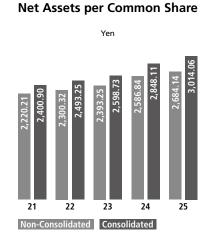
Remuneration paid to PKF Hibiki Audit Corporation in the 111th fiscal term (the fiscal year ended March 31, 2025) for audit and attestation services totaled ¥53 million, and remuneration based on the non-audit services totaled ¥2 million. In addition, remuneration paid to the organization that belongs to the same network of PKF Hibiki Audit Corporation for audit and attestation services at a consolidated subsidiary totaled ¥1 million and remuneration based on the audit attestation services for consolidated subsidiaries totaled ¥3 million and the non-audit services totaled ¥1 million.

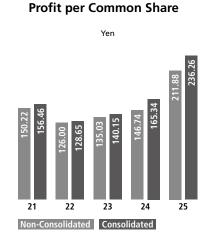
Five-Year Financial Summary For the fiscal years ended March 31

			Consolidate	d		Non-Consolidated					
			Millions of ye					Millions of ye			
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	
FOR THE YEAR											
Net sales	¥556,273	¥566,794	¥609,132	¥654,516	¥705,058	¥486,705	¥493,724	¥524,233	¥559,954	¥595,918	
Power distribution lining						63,261	66,480	70,375	73,969	77,150	
Electrical						306,546	309,292	329,873	372,944	404,667	
Information & communications network						55,190	56,143	53,003	52,032	44,594	
Environmental management facilities						35,220	36,136	45,344	41,421	49,186	
Electric power & others						26,486	25,671	25,636	19,586	20,319	
Operating profit	42,948	37,087	37,430	42,677	60,979	37,496	35,136	32,410	34,523	52,386	
Profit attributable to owners of parent	32,356	26,366	28,722	33,553	47,250						
Profit						31,065	25,824	27,672	29,778	42,374	
Comprehensive income	46,927	26,117	29,083	57,063	50,292						
Capital investment*1	4,417	5,935	29,480	25,953	10,176						
Depreciation and amortization	6,161	6,684	6,804	6,732	7,109						
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	493,209	511,843	532,713	574,053	599,738	455,023	471,438	489,839	520,706	533,471	
Total assets	683,022	700,259	742,841	815,887	821,693	620,793	633,822	669,708	723,189	709,198	
Number of shares outstanding (excluding treasury stock) (Thousands)											
Balance at end of year	204,946	204,944	204,675	201,290	198,749	204,946	204,944	204,675	201,290	198,749	
Number of employees (Persons)*2	12,935	12,892	12,704	13,240	14,359	7,801	7,995	8,136	8,302	8,461	
Equity ratio (%)	72.0	73.0	71.6	70.3	72.9	73.3	74.4	73.1	72.0	75.2	
Return on equity (ROE) (%)	6.8	5.3	5.5	6.1	8.1	7.0	5.6	5.8	5.9	8.0	
Payout ratio (%)	22.4	28.8	28.5	38.1	38.1	23.3	29.4	29.6	42.9	42.5	
Price-earnings ratio (Times)	12.05	12.27	11.38	16.31	14.18	12.55	12.52	11.81	18.37	15.81	
*1 Losco accote are included in capital inv	actment am	ountc									

^{*1} Lease assets are included in capital investment amounts.







^{*2} Number of employees (employees at work in Kinden) = Employees – Employees dispatched outside of Kinden + Workers dispatched by another company to Kinden

Management's Discussion and Analysis

RESULTS OF OPERATIONS

The Kinden Group recorded a ¥50,542 million, or 7.7%, increase in net sales of completed construction contracts from the previous fiscal year to ¥705,058 million (US\$4,715,481 thousand). Reflecting abundant orders received in the previous year, the volume of construction work on hand at the beginning of the current fiscal year exceeded that of the previous fiscal year while orders for the current fiscal year trended firmly and construction work progressed smoothly. As a result, net sales of completed construction contracts increased at the Company and its domestic and overseas subsidiaries.

Gross profit on completed construction contracts increased ¥25,222, or 23.4%, from the previous fiscal year to ¥132,803 million (US\$888,196 thousand), mainly due to an increase in completed construction contracts, improved profitability, and efforts to reduce costs.

Selling, general and administrative (SG&A) expenses increased ¥6,919 million, or 10.7%, from the previous fiscal year to ¥71,823 million (US\$480,360 thousand). The increase is attributable to higher personnel expenses due to increases in base pay and higher expenses for DX-related information systems.

Operating profit increased \$18,302\$ million, or 42.9%, to \$60,979\$ million (US\$407,835 thousand).

Ordinary profit increased ¥18,564 million, or 40.4%, to ¥64,546 million (US\$431,691 thousand).

Profit attributable to owners of parent increased ¥13,697 million, or 40.8%, to ¥47,250 million (US\$316,017 thousand).

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

FINANCIAL POSITION

Assets

Current assets at March 31, 2025 amounted to ¥503,656 million, up ¥21,439 million, or 4.4%, from March 31, 2024.

Non-current assets decreased ¥15,633 million, or 4.7%, from the end of the previous fiscal year, to ¥318,037 million. The main factor was a decrease in investment securities due to the sale of stocks and the fall in stock prices.

As a result, total assets amounted to ¥821,693 million (US\$5,495,544 thousand) at the end of the current fiscal year, up ¥5,806 million, or 0.7%, from the end of the previous fiscal year end.

Liabilities

Current liabilities decreased ¥2,892 million, or 1.4%, to ¥202,457 million from the end of the previous fiscal year.

Non-current liabilities decreased ¥16,985 million, or 46.6%, to ¥19,497 million from the end of the previous fiscal year end. This was mainly due to a decrease in retirement benefit liability.

Consequently, total liabilities came to ¥221,955 million (US\$1,484,453 thousand), a decrease of ¥19,878 million, or 8.2%, from the end of the previous fiscal year.

Net Assets

Shareholders' equity rose ¥22,653 million, to ¥528,917 million, due to the posting of profit attributable to owners of parent and dividend of surplus and the purchase of treasury shares. Accumulated other comprehensive income increased ¥3,094 million to ¥70,126 million, chiefly due to a decrease in valuation difference on available-for-sale securities and an increase in remeasurements of defined benefit plans. In addition, non-controlling interests were ¥694 million.

As a result, total net assets amounted to ¥599,738 million (US\$4,011,091 thousand), an increase of ¥25,685 million, or 4.5%, from the end of the previous fiscal year. The equity ratio stood at 72.9%, an increase of 2.6 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 ¥24,545 million (US\$164,158 thousand), compared with ¥38,520 million in the previous fiscal year. This was due to profit before income taxes, despite income taxes paid.

Net cash provided by investing activities came to ¥3,605 million (US\$24,113 thousand), compared with ¥22,179 million used in the previous fiscal year. Despite the purchase of property, plant and equipment (non-current assets), this was due to proceeds from sale and redemption of short-term and long-term investment securities.

Net cash used in financing activities was ¥24,976 million (US\$167,045 thousand), compared with ¥15,978 million used in the previous fiscal year, mainly owing to the purchase of treasury shares and dividends paid.

As a result, cash and cash equivalents stood at ¥184,662 million (US\$1,235,034 thousand), an increase of ¥4,144 million from the end of the previous fiscal year, compared with an increase of ¥1,040 million in the previous fiscal year.



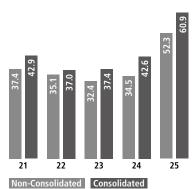
83.0 99.2 83.0 97.1 99.0 87.6 111.3

Non-Consolidated Consolidated

Selling, General and Administrative Expenses

Operating Profit

Billions of yen



RISK FACTORS

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

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

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

Economic Conditions

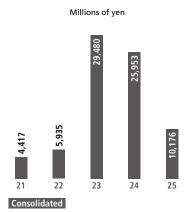
The demand for electrical facility installation work, which is the major source of the Kinden Group's earnings, is influenced by economic conditions in the regions and countries in which the Group receives orders. As written in "1. Management Policy, Business Environment and Issues to Address, etc.," the Group formulated the Medium-term Management Plan, "The Sustainable Growth 2026 - Human Resources, Heart, and Toward the Future", positioned "human resources and heart," which are our assets, in the bedrock of our business management and is developing and strengthening operating bases with a focus on human resources to roll out our business strategy, environmental strategy, human resource and workstyle strategy and corporate strategy while also considering ESG issues and the SDGs.

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

2. Restrained construction investment through national and local government policy

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

Capital Investment



3. Changes in overseas economic conditions and regulatory environment

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

4. Increased materials costs and outsourcing costs

A sharp surge to higher levels than forecast in the price of raw materials as well as in outsourced labor unit costs may decrease the profitability of construction work, and could negatively affect the Group's results and financial position and may lead to a negative impact on the Group's results and financial position.

5. Restrained capital investment by Kansai Electric Power Group

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

Exposure to Bad Debts Due to Customer Bankruptcies and Other Factors

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

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

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

Leakage of Confidential Information

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

Climate Change

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

Consolidated Balance Sheets

KINDEN CORPORATION AND SUBSIDIARIES March 31, 2024 and 2025

	Millions	of yen	Thousands of U.S. dollars
ASSETS	Y 53,014 Y104,161	2025	
CURRENT ASSETS:			
Cash and deposits	¥ 53,014	¥104,161	\$ 696,641
Notes receivable, accounts receivable from completed construction	254 720	255 422	4 745 407
contracts and other			1,715,437
Securities			615,273
Costs on construction contracts in progress			129,027
Raw materials and supplies			23,219
Other			210,925
Allowance for doubtful accounts	(2,981)	(3,295)	(22,040)
Total current assets	482,216	503,656	3,368,486
NON-CURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings and structures	102,536	105,354	704,619
Machinery and vehicles	44,045	45,047	301,281
Tools, furniture and fixtures	12,497	13,476	90,132
Land	59,446	62,945	420,983
Construction in progress	44,090	46,516	311,105
Accumulated depreciation	(118,170)	(121,594)	(813,230)
Total property, plant and equipment	144,446	151,746	1,014,892
INTANGIBLE ASSETS	7,280	7,017	46,936
INVESTMENTS AND OTHER ASSETS:			
Investment securities	142,459	128,500	859,422
Retirement benefit asset	14,571	24,967	166,982
Deferred tax assets	955	1,634	10,934
Other	24,803	5,030	33,647
Allowance for doubtful accounts	(846)	(860)	(5,757)
Total investments and other assets	181,943	159,273	1,065,230
Total non-current assets	333,671	318,037	2,127,058
Total assets	¥815,887	¥821,693	\$5,495,544

See the accompanying notes to consolidated financial statements.

	Millions	Thousands of U.S. dollars	
LIABILITIES AND NET ASSETS	2024	2025	2025
CURRENT LIABILITIES:			
Notes payable, accounts payable for construction contracts and other	¥105,731	¥78,860	\$ 527,425
Short-term borrowings	15,020	14,936	99,896
Income taxes payable	14,400	18,112	121,136
Advances received on construction contracts in progress	25,948	37,324	249,630
Provision for loss on construction contracts	6,396	7,281	48,697
Provision for warranties for completed construction	700	549	3,672
Provision for bonuses for directors (and other officers)	208	259	1,736
Other	36,945	45,133	301,853
Total current liabilities	205,350	202,457	1,354,049
NON-CURRENT LIABILITIES:			
Deferred tax liabilities	14,405	14,491	96,917
Provision for retirement benefits for directors (and other officers)	110	79	532
Retirement benefit liability	21,661	4,593	30,721
Other	305	333	2,231
Total non-current liabilities	36,483	19,497	130,403
Total liabilities	241,834	221,955	1,484,453
NET ASSETS: SHAREHOLDERS' EQUITY: Share capital Authorized: 600,000,000 shares			
Issued: 199,954,180 shares (2025)	26,411	26,411	176,641
Capital surplus	29,163	29,210	195,360
Retained earnings	453,615	476,757	3,188,584
Treasury shares	(2,925)	(3,461)	(23,147)
Total shareholders' equity	506,264	528,917	3,537,438
ACCUMULATED OTHER COMPREHENSIVE INCOME:	57.444	54.250	242.427
Valuation difference on available-for-sale securities	57,144	51,350	343,437
Foreign currency translation adjustment	3,271	5,383	36,005
Remeasurements of defined benefit plans	6,615	13,391	89,565
Total accumulated other comprehensive income	67,031	70,126	469,008
NON-CONTROLLING INTERESTS	757	694	4,643
Total net assets	574,053	599,738	4,011,091
Total liabilities and net assets	¥815,887	¥821,693	\$5,495,544

Consolidated Statements of Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net sales of completed construction contracts	¥654,516	¥705,058	\$4,715,481
Cost of sales of completed construction contracts	546,935	572,255	3,827,285
Gross profit on completed construction contracts	107,581	132,803	888,196
Selling, general and administrative expenses	64,903	71,823	480,360
Operating profit	42,677	60,979	407,835
Non-operating income:			
Interest income	394	962	6,434
Dividends income	2,335	2,619	17,519
Other	1,446	1,091	7,303
Total non-operating income	4,175	4,673	31,257
Non-operating expenses:	· · · · · · · · · · · · · · · · · · ·	•	
Interest expenses	135	234	1,565
Compensation expenses	96	146	977
Dismantlement cost	179	155	1,040
Other	459	570	3,817
Total non-operating expenses	870	1,106	7,401
Ordinary profit	45,982	64,546	431,691
Extraordinary income:			
Gain on sales of non-current assets	136	496	3,318
Gain on sales of investment securities	3,349	2,157	14,429
Other	17	23	157
Total extraordinary income	3,503	2,677	17,905
Extraordinary losses:			
Loss on retirement of non-current assets	351	344	2,303
Impairment losses	2	305	2,044
Other	70	1	12
Total extraordinary losses	423	652	4,361
Profit before income taxes	49,062	66,571	445,235
Income taxes-current	17,162	21,589	144,393
Income taxes-deferred	(1,531)	(2,143)	(14,337)
Total income taxes	15,631	19,445	130,056
Profit	33,431	47,125	315,179
Profit (loss) attributable to non-controlling interests	(122)	(125)	(837)
Profit attributable to owners of parent	¥ 33,553	¥ 47,250	\$ 316,017
Tront detailed to owners or parent		1 47,230	\$ 310,017
	Ye	en	U.S. dollars
	2024	2025	2025
Amounts per common share:			
Profit attributable to owners of parent	¥165.34	¥236.26	\$1.58
Cash dividends	63.00	90.00	0.60
See the accompanying notes to consolidated financial statements			

Consolidated Statements of Comprehensive Income KINDEN CORPORATION AND SUBSIDIARIES For the fiscal years ended March 31, 2024 and 2025

	Millions	of yen	Thousands of U.S. dollars
	2024	2025	2025
Profit	¥33,431	¥47,125	\$315,179
Other comprehensive income:			
Valuation difference on available-for-sale securities	17,317	(5,793)	(38,748)
Deferred gains or losses on hedges	8	-	-
Foreign currency translation adjustment	1,158	2,184	14,608
Remeasurements of defined benefit plans, net of tax	5,147	6,776	45,319
Total other comprehensive income	23,632	3,166	21,179
Comprehensive income	57,063	50,292	336,359
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent	¥57,119	¥50,345	\$336,715
Comprehensive income attributable to non-controlling interests	(55)	(53)	(355)

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, 2024 and 2025

	Thousands					Millions o	f yen				
	Shares of common	Capital	Capital	Retained	Treasury	Valuation difference on avaiable- for-sale	gains or losses on	currency translation adjust-	benefit	Non-con- trolling	Total net
	stock	stock	surplus	earnings	stock	securities	hedges	ment	plans	interests	assets
Balance at April 1, 2023	205,141	¥26,411	¥29,147	¥433,604	¥ (731)	¥39,827	¥ (8)	¥2,179	¥1,468	¥816	¥532,713
Dividends of surplus				(8,458)							(8,458)
Profit attributable to owners of parent				33,553							33,553
Purchase of treasury shares					(7,301)						(7,301)
Disposal of treasury shares			3		35						39
Cancellation of treasury shares	(2,500)		(5,072)		5,072						_
Transfer to capital surplus from retained earnings			5,083	(5,083)							_
Net changes of items other than shareholders' equity						17,317	8	1,092	5,147	(59)	23,506
Balance at April 1, 2024	202,641	¥26,411	¥29,163	¥453,615	¥(2,925)	¥57,144	¥—	¥3,271	¥6,615	¥757	¥574,053
Dividends of surplus				(16,658)							(16,658)
Profit attributable to owners of parent				47,250							47,250
Purchase of treasury shares					(8,008)						(8,008)
Disposal of treasury shares			16		52						68
Cancellation of treasury shares	(2,686)		(7,420)		7,420						_
Transfer to capital surplus from retained earnings			7,450	(7,450)							_
Net changes of items other than shareholders' equity						(5,793)		2,112	6,776	(62)	3,031
Balance at March 31, 2025	199,954	¥26,411	¥29,210	¥476,757	¥(3,461)	¥51,350	¥—	¥5,383	¥13,391	¥694	¥599,738

	Thousands				Th	ousands of U	I.S. dollars	5			
						Valuation difference	Deferred	Foreign currency	Remeasure- ments		
	Shares of common	Capital	Capital	Retained	Treasury	on avaiable- for-sale	gains or losses on	translation adjust-	of defined benefit	Non-con- trolling	Total net
	stock	stock	surplus	earnings	stock	securities	hedges	ment	plans	interests	assets
Balance at April 1, 2024	202,641	\$176,641	\$195,047	\$3,033,808	\$(19,566)	\$382,186	\$-	\$21,879	\$44,245	\$5,064	\$3,839,306
Dividends of surplus				(111,410)							(111,410)
Profit attributable to owners of parent				316,017							316,017
Purchase of treasury shares					(53,558)						(53,558)
Disposal of treasury shares			108		350						459
Cancellation of treasury shares	(2,686)		(49,626)		49,626						_
Transfer to capital surplus from retained earnings			49,830	(49,830)							_
Net changes of items other than shareholders' equity						(38,748)		14,126	45,319	(421)	20,276
Balance at March 31, 2025	199,954	\$176,641	\$195,360	\$3,188,584	\$(23,147)	\$343,437	<u>\$</u> —	\$36,005	\$89,565	\$4,643	\$4,011,091

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KINDEN CORPORATION AND SUBSIDIARIES For the fiscal years ended March 31, 2024 and 2025

	Millions	Millions of yen		
	2024	2025	2025	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before income taxes	¥ 49,062	¥ 66,571	\$ 445,235	
Adjustments for:				
Depreciation	6,732	7,109	47,547	
Impairment losses	2	305	2,044	
Increase (decrease) in allowance for doubtful accounts	277	16	113	
Increase (decrease) in provision for loss on construction contracts	3,940	884	5,917	
Increase (decrease) in retirement benefit liability	175	(15,487)	(103,582)	
Decrease (increase) in retirement benefit asset	(883)	(2,194)	(14,676)	
Interest and dividends income	(2,729)	(3,581)	(23,954)	
Interest expenses	135	234	1,565	
Loss (gain) on sale of investment securities	(3,349)	(2,157)	(14,429)	
Loss (gain) on sales and retirement of non-current assets	236	(451)	(3,022)	
Decrease (increase) in trade receivables	(17,725)	(2,625)	(17,558)	
Decrease (increase) in costs on construction contracts in progress	792	(968)	(6,478)	
Increase (decrease) in trade payables	14,144	(27,360)	(182,987)	
Increase (decrease) in advances received on construction contracts in progress	4,710	10,808	72,287	
Other, net	(4,487)	8,038	53,760	
Subtotal	51,033	39,141	261,784	
Interest and dividends received	2,753	3,615	24,183	
Interest paid	(135)	(234)	(1,565)	
Income taxes paid	(15,130)	(17,978)	(120,243)	
Net cash provided by (used in) operating activities	38,520	24,545	164,158	
CASH FLOWS FROM INVESTING ACTIVITIES:	· · · · · · · · · · · · · · · · · · ·		<u> </u>	
Payments into time deposits	(9,759)	(6,946)	(46,460)	
Proceeds from withdrawal of time deposits	9,221	6,758	45,200	
Payments of deposit	(20,000)	, -		
Proceeds from withdrawal deposit	20,000	-	_	
Purchase of short-term and long-term investment securities	(20,057)	(10,317)	(69,002)	
Proceeds from sale and redemption of short-term and long-term investment securities	26,768	27,989	187,196	
Purchase of non-current assets	(27,522)	(13,483)	(90,178)	
Proceeds from sales of non-current assets	327	579	3,875	
Other, net	(1,158)	(974)	(6,516)	
Net cash provided by (used in) investing activities	(22,179)	3,605	24,114	
CASH FLOWS FROM FINANCING ACTIVITIES:	(==/:::)			
Net increase (decrease) in short-term borrowings	(50)	(83)	(558)	
Purchase of treasury shares	(7,302)	(8,008)	(53,560)	
Dividends paid	(8,458)	(16,658)	(111,410)	
Dividends paid to non-controlling interests	(3)	(9)	(65)	
Other, net	(163)	(216)	(1,449)	
Net cash provided by (used in) financing activities	(15,978)	(24,976)	(167,045)	
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	678	970	6,490	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,040	4,144	27,719	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	179,477	180,517	1,207,314	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥180,517	¥184,662	\$1,235,034	
	1100,017	1.101,002	7.7237037	

See the accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Basis of Presenting Consolidated Financial Statements

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

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

The amounts stated in the accompanying consolidated financial statements are in Japanese yen. U.S. dollar amounts included in the accompanying consolidated financial statements and the notes to consolidated financial statements represent the arithmetic result of translating Japanese yen to U.S. dollar amounts on a basis of ¥149.52 to US\$1, the fixed-market rate on March 31, 2025. U.S. dollar amounts are rounded down to the nearest thousand dollars. Such U.S. dollar amounts are not intended to imply that Japanese yen amounts have been converted, realized or settled in U.S. dollars, at that or any other rate.

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

- (1) Consolidated subsidiaries: 21
- (2) The names of the principal consolidated subsidiaries are as reported in Network on p.54-55 of the Annual Report.

3. Major Affiliates Accounted for by the Equity Method

- (1) Number of affiliate accounted for by the equity method: 1
- (2) Name of affiliate accounted for by the equity method Kinka Corporation
- (3) Names of affiliates not accounted for by the equity method Sanyu Co., Ltd. and three other companies

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

4. Fiscal Year-End of Consolidated Subsidiaries

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

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

5. Summary of Significant Accounting Policies (1) Standards and Methods for Valuing Assets *Securities*

1) Held-to-maturity debt securities

Amortized cost method (Straight-line method)

2) Available-for-sale securities

Securities other than securities without quoted market values

Market value method (Net unrealized gains and losses on availablefor-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 construction contracts in progress

Costs on construction contracts in progress are stated at actual cost.

2) Raw materials and supplies

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

(2) Method of Depreciation of Material Depreciable Assets

1) Tangible fixed assets (Excluding leased assets)

The Company and its domestic consolidated subsidiaries mainly compute depreciation of property, plant and equipment based on the declining-balance method, except that buildings and structures (excluding attached structures) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated by the straight-line method. The overseas consolidated subsidiaries mainly compute depreciation of property, plant and equipment using the straight-line method. Useful lives of principal assets are as follows:

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

2) Intangible assets (Excluding leased assets)

Straight-line method

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

3) Leased assets

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

(3) Accounting Basis for Allowances

1) Allowance for doubtful accounts

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

2) Provision for loss on construction contracts

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

3) Provision for warranties for completed construction

To provide for possible future expenses for non-compliance with contracts 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 liability for non-compliance with contracts.

4) Provision for bonuses for directors (and other officers)

To provide for the payment of bonuses for directors (and other officers), the Company makes allowance provisions for bonuses for directors (and other officers) based on the expected amount applicable to the fiscal year.

5) Provision for retirement benefits for directors (and other officers)

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

(4) Retirement Benefits

1) Method of attributing expected benefit to period

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

2) Amortization of actuarial differences and prior service cost

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

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

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

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

4) Application of simplified methods for small companies

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

(5) Recognition of Revenues and Costs of **Construction Contracts**

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

As the main content of its performance obligations, the Kinden Group has obligations to construct and deliver the abovementioned ordered works received through contracts with

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

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

(6) Accounting for Hedging

1) Method for hedge accounting

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

2) Hedging instruments and hedged items

Hedging instruments

Foreign exchange forward contracts and interest rate swaps are used.

Hedged items

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

3) Hedging policy

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

4) Method for evaluating the effectiveness of hedges

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

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

(7) Amortization of Goodwill

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

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

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

SIGNIFICANT ACCOUNTING ESTIMATES

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

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

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales of completed con- struction contracts based on a method that recognizes revenue over a certain period of time	¥410,045 million	¥457,608 million \$3,060,519 thousand

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

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

accompanied by constant uncertainties and therefore these could have a significant impact on the amount recognized in the consolidated financial statements for the following consolidated fiscal year and thereafter.

2. Recording of provision for loss on construction contracts

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

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Provision for loss on	¥6,396 million	¥7,281 million
construction contracts		\$48,697 thousand

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

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

3. Valuation of Goodwill and Customer-related Assets

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

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Goodwill	¥2,175 million	¥1,875 million \$12,544 thousand
Customer-related Assets	¥1,556 million	¥1,341 million \$8,974 thousand

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

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

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

4. Retirement benefit obligations

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

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Retirement benefit liability	¥21,661 million	¥4,593 million \$30,721 thousand
Retirement benefit asset	¥14,571 million	¥24,967 million \$166,982 thousand

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

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

CHANGE IN ACCOUNTING POLICY

Application of the "Accounting Standard for Current Income Taxes," Etc. The Group has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the fiscal year under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This change in accounting policy has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the fiscal year under review. This change in accounting policy has been applied retrospectively, and is reflected in the consolidated financial statements for the previous fiscal year. There are no related items accompanying this change in accounting policies, and there is no impact on the consolidated financial statements for the previous fiscal year.

ACCOUNTING STANDARDS NOT YET ADOPTED

"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)

"Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Summary

As part of efforts to make Japanese GAAP standards consistent with international standards, the Accounting Standards Board of Japan

(ASBJ) considered international accounting standards to develop accounting standards for leases that recognize assets and liabilities for all leases of lessees. The basic policy is to use the single accounting model of IFRS 16 as a basis, but adopting only the main provisions of IFRS 16 rather than all provisions. This will result in simple and convenient lease accounting standards that basically do not require any revisions when the provisions of IFRS 16 are used in non-consolidated financial statements.

As for the accounting treatment of lessees, the single accounting model will be applied to the method of allocating lease expenses to lessees in the same way as IFRS 16 in which depreciation expenses for right-of-use assets and an amount equivalent to interest expenses on lease liabilities are recorded for all leases regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled date of application

Shall be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of application of relevant accounting standards, etc. We are currently evaluating the impact of the application of the Accounting Standard for Leases on the consolidated financial statements.

CHANGE OF THE PRESENTATION METHOD (Consolidated statements of income)

"Foreign exchange gains" under "Non-operating income," which was presented as a separate item in the previous consolidated fiscal year, was ¥0 in the consolidated fiscal year under review and is included in "Other" under "Non-operating income" for the current consolidated fiscal year. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, in the consolidated statements of income for the previous consolidated fiscal year, "Foreign exchange gains" of ¥666 million and "Other" of ¥779 million under "Non-operating income" are reclassified as "Other" of ¥1,446 million under "Non-operating income".

"Gain on sales of non-current assets," which was included in "Other" under "Extraordinary income" in the previous consolidated fiscal year, is presented as a separate item in the consolidated fiscal year under review because this exceeded 10% of "Extraordinary income." To reflect these changes in presentation, the Consolidated Statements of Income for the previous consolidated fiscal year have

As a result, "Other" of ¥154 million presented under "Extraordinary income" in the Consolidated Statements of Income for the previous consolidated fiscal year are reclassified as "Gain on sales of non-current assets" of ¥136 million and "Other" of ¥17 million under "Extraordinary income."

"Impairment losses," which was included in "Other" under "Extraordinary losses" in the previous consolidated fiscal year, is presented as a separate item in the consolidated fiscal year under review because this exceeded 10% of "Extraordinary losses." To reflect these changes in presentation, the Consolidated Statements of Income for the previous consolidated fiscal year have been reclassified.

As a result, "Other" of ¥72 million presented under "Extraordinary losses" in the Consolidated Statements of Income for the previous consolidated fiscal year is reclassified as "Impairment losses" of ¥2 million and "Other" of ¥70 million under "Extraordinary losses."

NOTES TO CONSOLIDATED BALANCE SHEETS

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

March 31

	Million	s of yen	Thousands of U.S. dollars
	2024	2025	2025
Notes receivable	¥ 29,465	¥ 23,313	\$155,919
Accounts receivable from			
$completed\ construction\ contracts\$	139,380	127,514	852,826
Contract assets	82,892	105,664	706,692

 Among advances received on construction contracts in progress, the amount of contract liabilities is as follows: March 31

	Millions	of yen	Thousands of U.S. dollars
	2024	2025	2025
Contract liabilities	¥25,948	¥37,324	\$249,630

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

March 31

	Millions	of yen	U.S. dollars
_	2024	2025	2025
Investment securities-equity	¥2,512	¥2,542	\$17,005

4. Assets pledged as collateral

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

March 31

_	Millions	of yen	Thousands of U.S. dollars
	2024	2025	2025
Investment securities-equity	¥11	¥11	\$73
Investments and other assets-long-term loans receivable	4	3	26

5. 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
	2024	2025	2025
Buildings and structures,			
machinery and vehicles	¥5.151	¥5.151	\$34.451

6. Commitment line contracts

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Total amount of commitment line			
contracts	¥35,500	¥21,000	\$140,449
Executed loan balance	7,500	4,500	30,096
Differential amount	28,000	16,500	110,353

Costs on construction contracts in progress and provision for loss on construction contracts for which losses are expected are presented as is and are not offset.

The amount of costs on construction contracts in progress corresponding to provision for loss on construction contracts on construction contracts

March 31

Millions	of yen	U.S. dollars
2024	2025	2025
¥63	¥236	\$1,583

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

1. Revenue generated from contracts with customers

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

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 o	of yen	Thousands of U.S. dollars
2024	2025	2025
¥1	¥29	\$199

3. Provision for loss on construction contracts included in cost of sales of completed construction contracts is as follows: For the fiscal years ended March 31

Millions	of yen	Thousands of U.S. dollars
2024	2025	2025
¥5,172	¥961	\$6,430

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

For the fiscal years ended March 31

	Millions of yen		U.S. dollars
	2024	2025	2025
Employees' salaries	¥29,736	¥33,558	\$224,439
Retirement benefit expenses	1,515	1,075	7,196
Provision of allowance for doubtful accounts	312	18	122

5. Research and development expenses

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

For the fiscal years ended March 31

 Millions	of yen	Thousands of U.S. dollars
2024	2025	2025
¥649	¥705	\$4,720

6. 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
	2024	2025	2025
Buildings and structures	¥ 76	¥ —	\$ —
Machinery and vehicles	14	29	194
Tools, furniture and fixtures	7	0	0
Land	37	467	3,123
Total	¥136	¥496	\$3,318

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

For the fiscal years ended March 31

	Millions o	of yen	Thousands of U.S. dollars
	2024	2025	2025
Gain on sale of memberships	¥15	¥8	\$56

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

For the fiscal years ended March 31

·	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Loss on sales of non-current			
assets	¥22	¥1	\$10
Loss on valuation of investment	22		
securities	33	_	_
Loss on valuation of memberships	14	_	_

9. The breakdown of loss on sales of non-current assets included in other (extraordinary losses) is as follows: For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Buildings and structures	¥ 6	¥0	\$ 1
Machinery and vehicles	0	0	0
Tools, furniture and fixtures	6	1	9
Land	9		
Total	¥22	¥1	\$10

10. Impairment losses

For the fiscal years ended March 31, 2024 and 2025, the Group recorded the following impairment losses for asset groups.

For the fiscal year ended March 31, 2024

Application	Location	Type	Millions of yen
1-11	Kinki region: 2 properties	Land	¥1
Idle assets	Other: 1 property	Land	0

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

Idle asset book values were written down to recoverable values in light of ongoing land price declines. Impairment losses were recorded in Extraordinary losses.

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

For the fiscal year ended March 31, 2025

Application	Location	Туре	Millions of yen	Thousands of U.S. dollars
Idle assets	Kinki region: 3 properties	Land	¥302	\$2,023
	Other: 3 properties	Land	3	21

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

Idle asset book values were written down to recoverable values in light of ongoing land price declines. Impairment losses were recorded in Extraordinary losses.

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

NOTES TO CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification Adjustments and Tax Effects Relating to Other Comprehensive Income

Thousands of

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Valuation difference on available-			
for-sale securities			
Amount recorded during			
the period	¥28,137	¥(5,221)	\$(34,923)
Reclassification adjustments	(3,300)	(2,157)	(14,429)
Amount before tax effect			
adjustments	24,836	(7,379)	(49,352)
Tax effect	(7,518)	1,585	10,603
Valuation difference on			
available-for-sale securities	17,317	(5,793)	(38,748)
Deferred gains or losses on			
hedges			
Amount recorded during the			
period	12	_	_
Reclassification adjustments	_	_	_
Amount before tax effect			
adjustments	12	_	_
Tax effect	(3)	_	_
Deferred gains or losses on			
hedges	8	_	_
Foreign currency translation adjustment			
Amount recorded during			
the period	1,158	2,184	14,608
Reclassification adjustments	_		_
Foreign currency translation			
adjustment	1,158	2,184	14,608
Remeasurements of defined			
benefit plans, net of tax			
Amount recorded during			
the period	7,210	10,829	72,429
Reclassification adjustments	198	(903)	(6,039)
Amount before tax effect			
adjustments	7,408	9,926	66,389
Tax effect	(2,261)	(3,150)	(21,070)
Remeasurements of defined			
benefit plans, net of tax	5,147	6,776	45,319
Total other comprehensive			
income	¥23,632	¥ 3,166	\$ 21,179

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the fiscal year ended March 31, 2024

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

	Thousands of shares					
	At April 1, 2023 Increase Decrease 2024					
Stock issued						
Common stock	205,141	_	2,500	202,641		
Total	205,141	_	2,500	202,641		
Treasury shares						
Common stock	465	3,405	2,520	1,350		
Total	465	3,405	2,520	1,350		

(Note) A decrease of 2,500 thousand shares in the number of common stocks issued is due to the cancellation of treasury shares based on a resolution by the Board of Directors. An increase of 3,405 thousand shares in the number of common stock treasury shares resulted from the purchases of 3,404 thousand shares of common treasury shares based on a resolution by the Board of Directors and the purchases of 1 thousand shares constituting shares less than one trading unit. A decrease of 2,520 thousand shares in the number of common stock treasury shares is due to a decrease of 2,500 thousand shares due to the cancellation of treasury shares based on a resolution by the Board of Directors and a decrease of 20 thousand shares due to the disposal of treasury shares under the restricted stock compensation plan.

2. Matters related to dividends

(1) Dividend payment

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 27, 2023	Common stock	¥4,400 million	¥21.5	March 31, 2023	June 28, 2023
General Meeting of Shareholders on October 30, 2023	Common stock	¥4,058 million	¥20.0	September 30, 2023	November 27, 2023

(2) Dividends with a date of record during the fiscal year ended March 31, 2024 and an effective date during the next fiscal year

Resolution	Class of shares	Total dividends	Source of dividend funds	Dividends per share		Effective date
General Meeting of Shareholders on June 25, 2024	Common stock	¥8,655 million	Retained earnings	¥43.0	March 31, 2024	June 26, 2024

For the fiscal year ended March 31, 2025

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

		Thousands of shares						
	At April 1, 2024	Increase	Decrease	At March 31, 2025				
Stock issued								
Common stock	202,641	_	2,686	199,954				
Total	202,641	_	2,686	199,954				
Treasury shares								
Common stock	1,350	2,561	2,707	1,204				
Total	1,350	2,561	2,707	1,204				

(Note) A decrease of 2,686 thousand shares in the number of shares of common stock issued resulted from the cancellation of treasury stock by resolution of the Board of Directors. An increase of 2,561 thousand shares in the number of common stock treasury shares resulted from the purchase of 2,560 thousand shares of common stock treasury shares based on a resolution by the Board of Directors and the purchase of 1 thousand shares constituting shares less than one trading unit. The decrease in the number of common stock treasury shares by 2,707 thousand shares is the result of a decrease of 2.686 thousand shares due to the cancellation of treasury shares by resolution of the Board of Directors and a decrease of 21 thousand shares due to the disposition of treasury shares in the restricted stock compensation plan.

2. Matters related to dividends

(1) Dividend payment

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 25, 2024	Common stock	¥8,655 million \$57,888 thousand	¥43.0 \$0.28	March 31, 2024	June 26, 2024
General Meeting of Shareholders on October 31, 2024	Common stock	¥8,002 million \$53,522 thousand	¥40.0 \$0.26	September 30, 2024	November 25, 2024

(Note) Dividends per share declared at the Board of Directors on October 31, 2024 includes a commemorative dividend of ¥5 marking the 80th anniversary of the Company's founding.

(2) Dividends with a date of record during the fiscal year ended March 31, 2025 and an effective date during the next fiscal year

The following items are scheduled to be submitted as agenda items for the General Meeting of Shareholders to be convened on June 25, 2025

Resolution	Class of shares	Total dividends	Source of dividend funds	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 25, 2025	Common stock	¥9,937 million \$66,462 thousand	_	¥50.0 \$0.33	March 31, 2025	June 26, 2025

(Note) Dividends per share declared at the General Meeting of Shareholders on June 25, 2025 includes a commemorative dividend of ¥5 marking the 80th anniversary of the Company's founding.

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		nousands of J.S. dollars
2024 2025			
¥53,014	¥104,161	\$	696,641
(2,496)	(2,494)		(16,681)
130,000	82,994		555,074
180,517	184,662	1	,235,034
	2024 ¥53,014 (2,496) 130,000	¥53,014 ¥104,161 (2,496) (2,494) 130,000 82,994	Millions of yen 2024 2025 ¥53,014 ¥104,161 \$ (2,496) (2,494) 130,000 82,994

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 longterm operations, and secures short-term working capital through bank borrowings.

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

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

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

Investment securities in the form of stock holdings consist mainly of shares in companies with which there exist business relationships.

These holdings are subject to market price fluctuation risk, and important matters are reported on in Management Meetings.

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

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

Short-term borrowings and long-term borrowings consist mainly of capital borrowed in connection with business transactions.

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

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

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

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

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

Market values of financial instruments estimates incorporate variables that, if changed, may cause estimated values to change.

2. Market Values of Financial Instruments

The book values appearing on the consolidated balance sheets, market values of financial instruments, and the differences between these values were as shown below.

March 31, 2024

	Millions of yen			
	Book value	Market value	Difference	
(1) Securities and investment				
securities	¥284,905	¥284,654	¥(251)	
(2) Long-term deposits	20,000	20,017	17	
Total assets	¥304,905	¥304,671	¥(233)	

March 31, 2025

	Millions of yen			
	Book value	Market value	Difference	
(1) Securities and investment				
securities	¥214,722	¥214,129	¥(592)	
(2) Long-term deposits	_	_		
Total assets	¥214,722	¥214,129	¥(592)	

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

March 31, 2025

Walch 31, 2023	Thousands of U.S. dollars			
	Book value	Market value	Difference	
(1) Securities and investment securities	\$1,436,075	\$1,432,110	\$(3,965)	
(2) Long-term deposits	_	_	_	
Total assets	\$1,436,075	\$1,432,110	\$(3,965)	

- *1 Note is omitted for cash and the market values of deposits, notes receivable, accounts receivable from completed construction, deposits paid, notes payable, accounts payable for construction contracts and other, and short-term borrowings are omitted because market values approximate book value as these are settled within a short time period.
- *2 Stocks without market prices are not included in (1) Securities and investment securities. The amounts recorded on the consolidated balance sheets for the said financial instruments are as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Unlisted stocks and others	¥5,460 million	¥5,774 million \$38,621 thousand

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

March 31, 2024

	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	¥ 53,014	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other \dots	251,738	_	_	_
Securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	12,936	30,800	1,000	_
Held-to-maturity debt securities (Negotiable certificate of deposits)	125,000	_	_	_
Held-to-maturity debt securities (Commercial paper)	5,000	_	_	_
Held-to-maturity debt securities (jointly operated money trusts)	5,000	_	_	_
Deposits paid	_	_	_	_
Long-term deposits	_	20,000	_	_
Total	¥452,689	¥50,800	¥1,000	¥

March 31, 2025

	Millions of yen			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	¥104,161	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	256,492	_	_	_
Securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	9,000	27,200	600	_
Held-to-maturity debt securities (Negotiable certificate of deposits)	73,000	_	_	_
Held-to-maturity debt securities (Commercial paper)	5,000	_	_	_
Held-to-maturity debt securities (jointly operated money trusts)	5,000	_	_	_
Deposits paid	20,000	_	_	_
Long-term deposits	_	_	_	_
Total	¥472,654	¥27,200	¥600	¥ —

March 31, 2025

	Thousands of U.S. dollars			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	\$ 696,641	\$ —	\$ —	\$ —
Notes receivable, accounts receivable from completed construction contracts and other	1,715,437	_	_	_
Securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	60,192	181,915	4,012	_
Held-to-maturity debt securities (Negotiable certificate of deposits)	488,228	_	_	_
Held-to-maturity debt securities (Commercial paper)	33,440	_	_	_
Held-to-maturity debt securities (jointly operated money trusts)	33,440	_	_	_
Deposits paid	133,761	_	_	_
Long-term deposits	_	_	_	_
Total	\$3,161,143	\$181,915	\$4,012	\$ —

(Note 2) The amount of long-term borrowings and lease obligations due beyond the consolidated balance sheet date.

March 31, 2024

	Millions of yen						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Lease obligations	¥63	¥103	¥70	¥26	¥4	¥0	
Total	¥63	¥103	¥70	¥26	¥4	¥0	

March 31, 2025

	Millions of yen						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Lease obligations	¥57	¥105	¥60	¥26	¥3	¥0	
Total	¥57	¥105	¥60	¥26	¥3	¥0	

March 31, 2025

	Thousands of U.S. dollars						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	
Lease obligations	\$381	\$704	\$404	\$177	\$24	\$2	
Total	\$381	\$704	\$404	\$177	\$24	\$2	

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

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

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

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

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

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

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

For the fiscal years ended March 31, 2024

	Market value (Millions of yen)					
	Level 1	Level 2	Level 3	Total		
Securities and investment securities						
Available-for-sale securities						
Equity	¥105,126	¥—	¥—	¥105,126		
Total assets	¥105,126	¥—	¥—	¥105,126		

For the fiscal years ended March 31, 2025

	Market value (Millions of yen)					
	Level 1	Level 2	Level 3	Total		
Securities and investment securities						
Available-for-sale securities						
Equity	¥94,905	¥—	¥—	¥94,905		
Total assets	¥94,905	¥—	¥—	¥94,905		

For the fiscal years ended March 31, 2025

	Market va	Market value (Thousands of U.S. dollars)					
	Level 1	Level 2	Level 3	Total			
Securities and investment securities							
Available-for-sale securities							
Equity	\$634,736	\$—	\$—	\$634,736			
Total assets	\$634,736	\$—	\$—	\$634,736			

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

For the fiscal years ended March 31, 2024

	Market value (Millions of yen)					
	Level 1	Level 2	Level 3	Total		
Securities and investment securities						
Held-to-maturity debt securities						
Corporate bonds	¥—	¥ 44,528	¥—	¥44,528		
Negotiable certificate of deposits	_	125,000	_	125,000		
Commercial paper	_	4,999	_	4,999		
Jointly operated money trusts	_	5,000	_	5,000		
Available-for-sale securities						
Other	_	0	_	0		
Long-term deposits	_	20,017	_	20,017		
Total assets	¥—	¥199,545	¥—	¥199,545		

For the fiscal years ended March 31, 2025

	Market value (Millions of yen)				
	Level 1	Level 2	Level 3	Total	
Securities and investment					
securities					
Held-to-maturity debt securities					
Corporate bonds	¥—	¥36,228	¥—	¥36,228	
Negotiable certificate of deposits	_	73,000	_	73,000	
Commercial paper		4,994	_	4,994	
Jointly operated money trusts	_	5,000	_	5,000	
Available-for-sale securities					
Other	_	_	_	_	
Long-term deposits	_	_	_	_	
Total assets	¥—	¥119,223	¥—	¥119,223	

For the fiscal years ended March 31, 2025

	Market value (Thousands of U.S. dollars)					
	Level 1	Level 2	Level 3	Total		
Securities and investment securities						
Held-to-maturity debt securities						
Corporate bonds	\$—	\$242,299	\$—	\$242,299		
Negotiable certificate of deposits	_	488,228	_	488,228		
Commercial paper	_	33,405	_	33,405		
Jointly operated money trusts	_	33,440	_	33,440		
Available-for-sale securities						
Other	_	_	_	_		
Long-term deposits	_	_	_			
Total assets	\$—	\$797,374	\$—	\$797,374		

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

Securities and investment securities

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

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

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

Long-term deposits

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

SECURITIES

1. Held-to-Maturity Debt Securities

March 31, 2024

•	Millions of yen					
	Воо	k value	Market value		Diffe	rence
(1) Securities whose market						
value exceeds the book value						
Corporate bonds	¥	6,340	¥	6,358	¥	18
Subtotal		6,340		6,358		18
(2) Securities whose market						
value is equal to or lower						
than the book value						
Corporate bonds		38,438		38,169	(269)
Negotiable certificates of						
deposit	1	25,000	1	25,000		_
Commercial paper		4,999		4,999		_
Jointly operated money						
trusts		5,000		5,000		_
Subtotal	1	73,438	1	73,168	(269)
Total	¥1	79,778	¥1	79,527	¥(251)
=						

March 31, 2025

March 31, 2023	1	Millions of yen	
-	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Corporate bonds	¥ —	¥ —	¥ —
Subtotal	_	_	_
(2) Securities whose market value is equal to or lower than the book value			
Corporate bonds Negotiable certificates of	36,821	36,228	(592)
deposit	73,000	73,000	_
Commercial paper	4,994	4,994	_
Jointly operated money			
trusts	5,000	5,000	_
Subtotal	119,816	119,223	(592)
Total	¥119,816	¥119,223	¥(592)

March 31, 2025

	inidusarius di disti donars					
	Book	value	Marke	t value	ue Differe	
(1) Securities whose market						
value exceeds the book value						
Corporate bonds	\$	_	\$	_	\$	_
Subtotal		_		_		_
(2) Securities whose market						
value is equal to or lower						
than the book value						
Corporate bonds	246	5,264	24	2,299	(3	,965)
Negotiable certificates of						
deposit	488	3,228	48	8,228		_
Commercial paper	3.	3,405	3	3,405		_
Jointly operated money						
trusts	3.	3,440	3	3,440		_
Subtotal	80	1,339	79	7,374	(3	,965)
Total	\$80	1,339	\$79	7,374	\$(3	,965)
-						

Thousands of U.S. dollars

2. Available-for-Sale Securities

March 31, 2024

•	Millions of yen		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	¥104,941	¥23,956	¥80,984
Subtotal	104,941	23,956	80,984
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	184	223	(38)
Other	0	0	_
Subtotal	185	223	(38)
Total	¥105,126	¥24,180	¥80,946

March 31, 2025

IVIAI CII 3 I, 2023			
•	Millions of yen		
	Da ali cialica	Acquisition	D:#
	Book value	cost	Difference
(1) Securities whose market			
value exceeds the			
acquisition cost			
Equity	¥94,841	¥21,238	¥73,603
Subtotal	94,841	21,238	73,603
(2) Securities whose market			
value is equal to or lower			
than the acquisition cost			
Equity	63	67	(3)
Other	_	_	
Subtotal	63	67	(3)
Total	¥94,905	¥21,306	¥73,599

March 31, 2025

IVIARCN 31, 2025			
	Thousands of U.S. dollars		
		Acquisition	
	Book value	cost	Difference
(1) Securities whose market			
value exceeds the			
acquisition cost			
Equity	\$634,309	\$142,046	\$492,262
Subtotal	634,309	142,046	492,262
(2) Securities whose market			
value is equal to or lower			
than the acquisition cost			
Equity	426	450	(23)
Other	_	_	_
Subtotal	426	450	(23)
Total	\$634,736	\$142,496	\$492,239

3. Available-for-Sale Securities Sold

For the fiscal year ended March 31, 2024

	Millions of yen		
		Total gain	Total loss
	Sold	on sales	on sales
Equity	¥5,021	¥3,349	¥—
Other	_	_	_
Total	¥5,021	¥3,349	¥—

For the fiscal year ended March 31, 2025

	Millions of yen		
	Sold	Total gain on sales	Total loss on sales
Equity	¥5,048	¥2,157	¥—
Other	_	_	_
Total	¥5,048	¥2,157	¥—

For the fiscal year ended March 31, 2025

	Thousands of U.S. dollars		
	Sold		Total loss on sales
Equity	\$33,764	\$14,429	\$—
Other	_	_	_
Total	\$33,764	\$14,429	\$—

4. Impairment Loss on Securities

For the fiscal year ended March 31, 2024

During the fiscal year ended March 31, 2024, the Company recognized impairment losses on securities of ¥33 million (¥33 million on excluding stocks without market prices in other available-for-sale-securities).

The Group determines impairment loss on the stocks and corporate bonds in question based on "significant decline," which it defines as a decline of 30% or higher in the market value for stocks and corporate bonds with market prices and a decline of 30% or higher in real value, which considers excess earning power in net assets per share, below the acquisition cost for stocks without market prices respectively.

For the fiscal year ended March 31, 2025

There are no securities that have been impaired.

The Group determines impairment loss on the stocks and corporate bonds in question based on "significant decline," which it defines as a decline of 30% or higher in the market value for stocks and corporate bonds with market prices and a decline of 30% or higher in real value, which considers excess earning power in net assets per share, below the acquisition cost for stocks without market prices respectively.

DERIVATIVE TRANSACTIONS

For the fiscal years ended March 31, 2024 For the fiscal years ended March 31, 2025 Not applicable.

RETIREMENT BENEFITS

1. Outline of the Adopted Retirement Benefit Plan

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

Defined corporate pension plans (all are funded plans) pay lump sums or pensions in accordance with regulations.

Lump sum retirement benefit plans (unfunded plans, although some have become funded plans as a result of setting up a retirement benefit trust) pay lump sums in accordance with regulations as 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
	2024	2025	2025
Opening balance of projected			
benefit obligations	¥94,622	¥ 93,326	\$624,171
Service cost	3,876	3,772	25,232
Interest cost	273	269	1,802
Actuarial loss	(884)	(11,140)	(74,506)
Retirement benefits			
provided	(4,562)	(4,770)	(31,908)
Closing balance of projected benefit obligations	¥93,326	¥ 81,457	\$544,791

(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

	Million	s of yen	Thousands of U.S. dollars
	2024	2025	2025
Opening balance of plan			
assets	¥79,502	¥ 86,236	\$576,753
Expected return on plan			
assets	1,581	1,716	11,477
Actuarial gain	6,326	(310)	(2,077)
Contribution of employer	1,813	1,804	12,071
Retirement benefits paid	(2,987)	(3,015)	(20,169)
Retirement Benefit Trust			
Amount	_	15,400	102,996
Closing balance of plan assets.	¥86,236	¥101,831	\$681,052

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

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Projected benefit obligations, funded plan	¥ 71,845 ¥	¥ 76,791	\$ 513,589
Plan assets	(86,236)	(101,831)	(681,052)
	(14,390)	(25,039)	(167,463)
Projected benefit obligations, unfunded plan Net amount of liabilities and assets recorded on	21,480	4,665	31,202
the balance sheet	7,089	(20,373)	(136,261)
Retirement benefit liability	21,661	4,593	30,721
Retirement benefit asset	(14,571)	(24,967)	(166,982)
Net amount of liabilities and assets recorded on		. (22.22)	*****
the balance sheet	¥ 7,089 ¥	£ (20,373)	\$(136,261)

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

_	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Service cost*1	¥ 3,876	¥ 3,772	\$ 25,232
Interest cost	273	269	1,802
Expected return on plan			
assets	(1,581)	(1,716)	(11,477)
Amortization value of			
actuarial loss	1,221	120	807
Amortization value of prior			
service cost	(1,023)	(1,023)	(6,846)
Retirement benefit expenses			
related to defined benefit			
plans	¥ 2,766	¥ 1,423	\$ 9,518

^{*1} Employees' retirement cost of consolidated subsidiaries that calculate employees'retirement benefits by the simplified method is included in service cost.

(5) Remeasurements of defined benefit plans, before tax effect deductions

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

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Prior service cost	¥ 1,023	¥ 1,023	\$ 6,846
Actuarial gains and losses	(8,432)	(10,950)	(73,236)
Total	¥(7,408)	¥ (9,926)	\$(66,389)

(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		U.S. dollars
	2024	2025	2025
Unrecognized prior service			
cost	¥(6,993)	¥ (5,969)	\$ (39,924)
Unrecognized actuarial loss	(2,552)	(13,502)	(90,307)
Total	¥(9,545)	¥(19,472)	\$(130,232)

(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:

	2024	2025
Domestic bonds	22%	16%
Domestic equities	17	15
Foreign bonds	7	6
Foreign equities	16	15
Insurance assets (General account)	23	19
Alternatives	14	14
Cash and deposits	0	15
Others	1	1
Total	100%	100%

(Note) Cash and deposits include 15% of retirement benefit trusts for the consolidated current fiscal year due to the establishment of a retirement benefit trust by the Company on March 31, 2025.

(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

	202	24	202	25
Discount rate	0.29%,	0.8%	1.52%,	0.8%
Long-term expected rate of return	2.0%,	1.2%	2.0%,	1.2%

3. Defined contribution plan

The required amount of contribution to the Company's defined contribution plan is ¥1,454 million in the previous consolidated fiscal year.

The required amount of contribution to the Company's defined contribution plan is ¥1,459 million (US\$9,763 thousand) in the current consolidated fiscal year.

REGARDING STOCK OPTIONS, ETC.

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

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

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Selling, general and administrative (SG & A) expenses	¥39 million	¥61 million \$408 thousand

2. Details of restricted stock compensation

	Granted on July 22, 2022	Granted on July 26, 2023	Granted on July 24 2024
Classification and number of Eligible Persons	Company Directors (excluding Outside Directors) 9 persons	Company Directors (excluding Outside Directors) 9 persons	Company Directors (excluding Outside Directors) 10 persons
Number of shares granted	the Company's common stock: 27,498 shares	the Company's common stock: 20,233 shares	the Company's common stock: 21,015 shares
Grant date	July 22, 2022	July 26, 2023	July 24, 2024
Transfer restriction period	The period from July 22, 2022 (here- inafter referred to as the Disposition Date) to the time immediately after retiring from any of the positions of Director, Audit & Supervisory Board Member, or Executive Officer not concurrently serving as a Director of the Company.	The period from July 26, 2023 (here- inafter referred to as the Disposition Date) to the time immediately after retiring from any of the positions of Director, Audit & Supervisory Board Member, or Executive Officer not concurrently serving as a Director of the Company.	The period from July 24, 2024 (here- inafter referred to as the Disposition Date) to the time immediately after retiring from any of the positions of Director, Audit & Supervisory Board Member, or Executive Officer not concurrently serving as a Director of the Company.
Fair value unit price on grant date	¥1,514	¥1,936	¥3,257 \$21

Release of restrictions

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

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

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

${\bf 2)} \ Number of shares subject to release of transfer restrictions$

The number of shares shall be calculated by multiplying the number of Allotted Shares held by the Eligible Director at the time of retirement pursuant to 1) with the quotient derived by dividing the number of months in the period beginning from the month of the Disposal Date and ending on the month in which the Eligible Director retires by the number of months contained in the Service Period (12). (However, such a quotient shall be reduced to 1 if it is larger than 1 and the number of shares shall be rounded down to whole numbers.

(2) Acquisition without Compensation by the Company

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

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

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

3. Number of restricted stock awards

	Granted on July 22, 2022	Granted on July 26, 2023	Granted on July 24, 2024
End of previous consolidated fiscal	13,808	20,233	_
year			
Grant	_	_	21,015
Acquire without compensation	_	_	_
Release of transfer restrictions	_	_	_
Restricted transfer balance	13,808	20,233	21,015

4. Method for estimating a fair appraisal unit price

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

DEFERRED TAX ACCOUNTING

1. Principal Components of Deferred Tax Assets and Liabilities

March 31

IVIAI CI I 3 I			
	Millions	of yen	Thousands of U.S. dollars
	2024	2025	2025
Deferred tax assets:			
Allowance for doubtful			
accounts	¥ 166	¥ 179	\$ 1,199
Accrued expenses	5,069	6,862	45,893
Accrued enterprise tax	1,075	1,297	8,678
Retirement benefit liability	4,684	3,961	26,496
Loss on valuation of			
investment securities	986	975	6,522
Loss on valuation of			
memberships	351	348	2,333
Impairment losses	381	403	2,698
Provision for loss on			
construction contracts	1,957	2,209	14,777
Unrealized gains	567	554	3,710
Others	1,339	1,753	11,725
Subtotal of deferred tax assets	16,577	18,545	124,035
Valuation allowance	(2,232)	(2,076)	(13,888)
Total deferred tax assets	14,345	16,469	110,146
Deferred tax liabilities:			
Valuation difference on			
available-for-sale securities	(23,834)	(21,628)	(144,650)
Remeasurements of defined			
benefit plans	(2,930)	(6,057)	(40,515)
Others	(1,030)	(1,639)	(10,964)
Total deferred tax liabilities	(27,795)	(29,325)	(196,130)
Net deferred tax liabilities	¥(13,449)	¥(12,856)	\$ (85,983)
·			

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

2024	2025
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 effector tax rate after adopting tax effect accounting is 5% or less of the effective statutory tax rate.

3. Adjustment to amounts of deferred tax assets and deferred tax liabilities due to changes in income tax rate

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the "special defense corporation tax" will be imposed from consolidated fiscal years beginning on or after April 1, 2026. As a result, the effective statutory tax rate has been changed from 30.6% to 31.5% for the calculation of deferred tax assets and deferred tax liabilities associated with temporary differences expected to be eliminated in the consolidated fiscal years beginning on or after April 1, 2026.

As a result of this change, the amount of deferred tax liabilities (amount after deducting the amount of deferred tax assets) for the current consolidated fiscal year increased by ¥520 million (US\$3,480 thousand), while deferred income taxes, accumulated adjustments for retirement benefits, and valuation difference on available-forsale securities decreased by ¥126 million(US\$845 thousand), ¥26 million(US\$174 thousand), and ¥620 million(US\$4,151 thousand), respectively.

ASSET RETIREMENT OBLIGATION

For the fiscal years ended March 31, 2024

The Group, 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 Group has not recognized an asset retirement obligation relating to the aforementioned obligation because the Group is unable to accurately estimate said asset retirement obligation.

For the fiscal years ended March 31, 2025

The Group, 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 Group has not recognized an asset retirement obligation relating to the aforementioned obligation because the Group is unable to accurately estimate said asset retirement obligation.

As stated in subsequent events, the Company resolved at the meeting of its Board of Directors held on May 21, 2025 to develop (invest in) the wind power generation business and establish a new company, clarifying its future plan for removing the wind power generation facilities operated by Shirama Wind Farm Co., Ltd. and Shiratakiyama Wind Farm Co., Ltd., the Company's subsidiaries. This decision has no influence on profit and loss in the consolidated fiscal year under review.

INVESTMENT AND RENTAL PROPERTIES

For the fiscal years ended March 31, 2024 and 2025 Information on rental and other real estate has been omitted due to

REVENUE RECOGNITION

lack of materiality.

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

For the fiscal year ended March 31, 2024

	Millions of yen
Goods or services transferred over	
a period of time	¥410,045
Goods or services transferred at	
a point in time	244,470
Revenue from contracts with customers	654,516
Other revenue	
Sales to external customers	¥654,516

For the fiscal year ended March 31, 2025

	Millions of yen	Thousands of U.S. dollars
Goods or services transferred over		
a period of time	¥457,608	\$3,060,519
Goods or services transferred at		
a point in time	247,449	1,654,961
Revenue from contracts with customers	705,058	4,715,481
Other revenue		
Sales to external customers	¥705,058	\$4,715,481

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

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

- 3. The relationship between the fulfillment of performance obligations based on contracts with customers and the cash flows generated from the contract as well as Information on the amount and timing of revenue expected to be recognized from the next consolidated fiscal year arising from existing contracts with customers at the end of the current consolidated fiscal year
- 1) Balance of contract assets and contract liabilities, etc. For the fiscal year ended March 31, 2024

	yen
Trade receivables arising from contracts	
with customers (balance at start of term)	¥155,374
Trade receivables arising from contracts	
with customers (balance at end of term) .	168,846
Contract assets (balance at start of term) \ldots	77,556
Contract assets (balance at end of term) \ldots	82,892
Contract liabilities	
(balance at start of term)	20,957
Contract liabilities	
(balance at end of term)	¥ 25,948

For the fiscal year ended March 31, 2025

	Millions of yen	Thousands of U.S. dollars
Trade receivables arising from contracts		
with customers (balance at start of term)	¥168,846	\$1,129,257
Trade receivables arising from contracts		
with customers (balance at end of term).	150,827	1,008,745
Contract assets (balance at start of term)	82,892	554,389
Contract assets (balance at end of term)	105,664	706,692
Contract liabilities		
(balance at start of term)	25,948	173,544
Contract liabilities		
(balance at end of term)	¥ 37,324	\$ 249,630

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

contracts. Contract liabilities are retired when revenue is recognized.

The main reasons for the increase in contract assets of ¥5,336 million in the previous consolidated fiscal year are an increase due to the fulfillment of performance obligations and a decrease due to the recording of receivables. In addition, the main reasons for the increase in contract liabilities of ¥4,990 million in the previous consolidated fiscal year are an increase due to the receipt of advances received on construction contracts in progress and a decrease due to the fulfillment of performance obligations.

Of the revenue recognized in the previous consolidated fiscal year, the amount included in the contract liability balance as of the beginning of the fiscal year is ¥19,392 million. Additionally, in the previous consolidated fiscal year, the amount of revenue recognized from performance obligations that have been satisfied (or partially satisfied) in past periods is not significant.

The main reasons for the increase in contract assets of ¥22,772 million (US\$152,303 thousand) in the current consolidated fiscal year are an increase due to the fulfillment of performance obligations and a decrease due to the recording of receivables. In addition, the main reasons for the increase in contract liabilities of ¥11,376 million (US\$76,086 thousand) in the current consolidated fiscal year are an increase due to the receipt of advances received on construction contracts in progress and a decrease due to the fulfillment of performance obligations.

Of the revenue recognized in the current consolidated fiscal year, the amount included in the contract liability balance as of the beginning of the fiscal year is ¥23,903 million (US\$159,868 thousand). Additionally, in the current consolidated fiscal year, the amount of revenue recognized from performance obligations that have been satisfied (or partially satisfied) in past periods is not significant.

2) Transaction price allocated to residual performance obligations

The total transaction amount allocated to the remaining performance obligations at the end of the previous consolidated fiscal year was ¥549,753 million. The remaining performance obligations are mainly related to construction contracts and revenue is expected to be recognized for generally five years depending on the progress of

The total transaction amount allocated to the remaining performance obligations at the end of the current consolidated fiscal year is ¥596,985 million (US\$3,992,677 thousand). The remaining performance obligations are mainly related to construction contracts and revenue is expected to be recognized for generally five years depending on the progress of the construction.

SEGMENT INFORMATION Segment Information

For the fiscal years ended March 31, 2024 and 2025

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, 2024

(1) Information by products and services

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

(2) Information by geographical region

(a) Net sales

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

(b) Property, plant and equipment

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

(3) Information for main customers

	Net sales	
Customer name	Millions of yen	Related segment
The Kansai Electric Power Company, Incorporated	¥83,222	Facility Construction Business

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

For the fiscal year ended March 31, 2025

(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 s		
Customer name	Millions of yen	Thousands of U.S. dollars	Related segment
The Kansai Electric Power Company, Incorporated	¥86,858	\$580,913	Facility Construction Business

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

Information about Impairment Loss on Non-current Assets for Each Reporting Segment

For the fiscal years ended March 31, 2024 and 2025

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

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

For the fiscal year ended March 31, 2024 and 2025

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

Information about Gain on Negative Goodwill for Each Reporting Segment

For the fiscal year ended March 31, 2024 and 2025 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, 2024

Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties		
Other affiliates The Kansai Electric Power Company, Incorporated (Kita-ku, Osaka)	¥489,320 million	Electric power business	(Held) Direct Indirect 29.3% 7.3% [See Figure 1]	Receipt of orders power generation consti			
		Description o	f transaction	Amount of transaction	Account	Balance at the end of the fiscal year	
		(Kita-ku, Osaka)	Electrical projects	¥2,087 million	Accounts receivable from completed construction contracts	¥1,692 million	
		transactions	transactions	orders	orders \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	Advances received on construction contracts in progress	¥8 million
		Deposit o	of assets	_	Deposits	¥20,000 million	

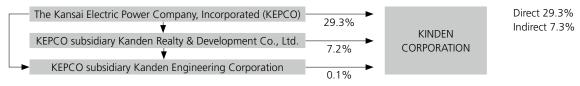
(Note 1) Terms of transactions and policy for determining terms of transactions, etc.

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

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

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

Figure 1



(Note 4) Percentage of voting rights held is calculated based on the number of shares with voting rights owned as of March 31, 2024.

For the fiscal year ended March 31, 2025

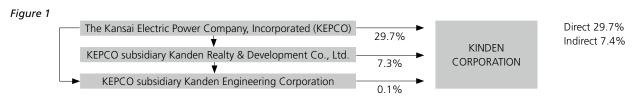
Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties		
		¥630,040 million \$4,213,756 thousand	Electric power business	(Held) Direct Indirect 29.7% 7.4% [See Figure 1]	Receipt of orders power generation const		
	The Kansai Electric Power Company,	ower Company, Description of	f transaction	Amount of transaction	Account	Balance at the end of the fiscal year	
		Kita-kir Osaka)	Electrical projects	¥1,574 million \$10,529	Accounts receivable from completed construction contracts	¥1,032 million \$6,903 thousand	
		transactions	transactions	orders	orders thousand	Advances received on construction contracts in progress	_
		Deposit (of assets		Deposits	¥20,000 million \$133,761 thousand	

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

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

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

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



(Note 4) Percentage of voting rights held is calculated based on the number of shares with voting rights owned as of March 31, 2025.

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, 2024

	or the lister year chaca march 51, 2021					
Type of transaction	Name of company or individual (address)	Capital stock or investment	Description of business or position	Percentage of voting rights held	Transactions between related parties	
Subsidiaries of other affiliates Kansai Transmission and Distribution, Inc. (Kita-ku, Osaka)	¥40,000 million	General power transmission and distribution business		Receipt of orders for power dist transmission line constr		
	Distribution, Inc.	Distribution, Inc. Description of	f transaction	Amount of transaction	Account	Balance at the end of the period
	` '	Electrical projects	V70 455:II:	Accounts receivable from completed construction contracts	¥11,414 million	
		transactions	orders	 	Advances received on construction contracts in progress	¥418 million

(Note) Transaction conditions and policy for determining transaction conditions

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

For the fiscal year ended March 31, 2025

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 Character Kansai Transmission and Distribution, Inc.	¥40,000 million \$267,522 thousand	General power transmission and distribution business		Receipt of orders for power dist transmission line constr		
	Description of transaction		Amount of transaction	Account	Balance at the end of the period	
affiliates	(Kita-ku, Osaka)	Operating	Electrical projects	¥83,728 million \$559,980	Accounts receivable from completed construction contracts	¥11,913 million \$79,679 thousand
		transactions	orders	thousand	Advances received on construction contracts in progress	¥549 million \$3,677 thousand

(Note) Transaction conditions and policy for determining transaction conditions

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

2. Notes Concerning the Parent Company or Important Affiliates

Not applicable.

AMOUNTS PER COMMON SHARE

For the fiscal years ended March 31

	Yen		U.S. dollars
	2024	2025	2025
Net assets per common shareProfit attributable to owners	¥2,848.11	¥3,014.06	\$20.15
of parent per common share			\$ 1.58

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

(Note 2) The basis for calculating profit attributable to owners of parent per common share is as follows.

	Millions	of yen	Thousands of U.S. dollars
	2024	2025	2025
Profit attributable to owners of parent	¥33,553	¥47,250	\$316,017
Amount not attributable to ordinary shareholders	_	_	_
Profit attributable to owners of parent applicable to common stock	¥33,553	¥47,250	\$316,017
	Thousands	of shares	
	2024	2025	
Average number of common stock outstanding for each period	202,932	199,994	

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

IVIIIIOIIS	s of yen	U.S. dollars
2024	2025	2025
¥574,053	¥599,738	\$4,011,091
757	694	4,643
757	694	4,643
¥573,295	¥599,044	\$4,006,447
Thousands	s of shares	
2024	2025	
201 290	198.749	
	2024 ¥574,053 757 757 ¥573,295 Thousand	¥574,053 ¥599,738 757 694 757 694 ¥573,295 ¥599,044 Thousands of shares 2024 2025

SUBSEQUENT EVENTS

Business combination by acquisition

The Company acquired all of the issued shares of KITA KOUDENSHA, Co., Ltd. (hereinafter referred to as KITA KOUDENSHA) from Mitsubishi Electric Corporation on April 1, 2025, based on a resolution of the Board of Directors meeting held on February 28, 2025, making it a consolidated subsidiary.

1. Outline of business combination

purchase and sale of industrial equipment

(1) Name and business descriptions of acquired company Name of acquired company: KITA KOUDENSHA, Co., Ltd. Business descriptions: Indoor wiring installation, electric power-related work,

(2) Primary reasons for the business combination

In the Hokkaido region, where strong demand for construction projects, including redevelopment, and the revitalization of renewable energy projects are expected to drive future market growth, we will welcome KITA KOUDENSHA into the Group. KITA KOUDENSHA has a proven track record of construction projects, a solid customer base, abundant technical personnel, and a robust construction system. By integrating, sharing, and leveraging the complementary management resources of both companies, we will further strengthen our regional ties and enhance our business foundation in the Hokkaido region. This will enable us to increase the number of orders we receive in the Hokkaido area and establish a strong presence for the entire Group.

- (3) Date of the business combination April 1, 2025
- (4) Legal form of the business combination Acquisition of shares for cash consideration
- (5) Name of entity after the business combination No change.
- (6) Ratio of voting rights acquired 100%

2. Acquisition cost for the acquired company and breakdown

Not finalized at the present moment.

- **3. Details and amounts of main acquisition-related costs** Not finalized at the present moment.
- **4.** Amount of goodwill recognized, the reason for recognition, and the method and period of amortization Not finalized at the present moment.
- 5. Amounts of assets and liabilities assumed on the date of business combination and their main breakdown Not finalized at the present moment.

Disposal of treasury shares as restricted stock compensation

At the Board of Directors meeting held on May 21, 2025, the Company resolved to dispose of treasury shares as restricted stock compensation as follows.

1. Purpose and reasons for disposal

At the Board of Directors meeting held on May 21, 2025, the Company resolved to introduce a restricted stock compensation plan with the aim of assisting Group employees with their asset formation and providing them with an incentive to sustainably increase the Company's corporate value, thereby promoting shared value with shareholders and increasing their motivation to increase the Company's corporate value. This will be realized by creating opportunities for eligible employees of the Company and its subsidiaries who are members of the Employee Stock Ownership Association to acquire the Company's common stock issued or disposed of by the Company as restricted stock through the Employee Stock Ownership Association as a measure to enhance the employee benefits of eligible employees.

2. Outline of disposal

- (1) Disposal date: September 19, 2025
- (2) Type and number of shares to be disposed of: 1,083,200 shares of the Company's common stock
- (3) Disposal price: ¥3,770 (US\$25) per share
- (4) Total disposal amount ¥4,083 million (US\$27,311 thousand)

(5) Method of disposal

The number of shares applied for by the Employee Stock Ownership Association will be allocated to the Employee Stock Ownership Association by third-party allotment within the range of the number of shares to be disposed of described in (2) above (the number of shares allocated will be the number of shares to be disposed of).

(Kinden Employee Stock Ownership Association: 1,083,200 shares) Partial applications for the number of shares to be granted to each eligible employee shall not be accepted.

(6) Other

An interim report has been submitted regarding this disposal of treasury shares in accordance with the Financial Instruments and Exchange Act.

Acquisition of treasury shares

At the Board of Directors meeting held on January 31, 2025, the Company resolved matters related to the acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act, as applied pursuant to the provisions of Article 165, Paragraph 3 of the same Act and carried out the acquisition of treasury shares.

1. Details of the resolution of the Board of Directors regarding the acquisition of treasury shares

(1) Reasons for the acquisition of treasury shares

Based on the "Initiatives to invest in growth and improve corporate value in the Medium-term Management Plan" announced on January 31, 2024, the Company has decided to continue to provide returns to shareholders by acquiring treasury shares in consideration of the "Notice regarding the revision of the full-year earnings forecast for the fiscal year ending March 2025" announced on January 31, 2025.

(2) Details of the acquisition

- 1) Type of shares to be acquired Common stock of the Company
- 2) Total number of shares to be acquired 4,500,000 shares(maximum)
- 3) Total acquisition cost ¥10 billion (US\$66,880 thousand) (maximum)
- 4) Acquisition period From February 3, 2025 to December 23,2025
- 5) Acquisition method Market purchase on the Tokyo Stock Exchange

2. Status of share repurchase (currently in progress)

- (1) Type of shares to be repurchased: Common stock of the Company
- (2) Repurchase period: April 1, 2025 to May 31, 2025 (contract basis)
- (3) Total number of shares acquired: 560,800 shares
- (4) Total acquisition cost of shares: ¥1,996,317,882
- (5) Acquisition method: Market purchase on the Tokyo Stock Exchange

Recording of asset retirement obligations, etc. regarding fixed assets of the wind power generation business

The Company resolved at the meeting of its Board of Directors held on May 21, 2025 to develop (invest in) the wind power generation business and establish a new company. As a result, its future plan regarding the removal of the wind power generation facilities operated by Shirama Wind Farm Co., Ltd. and Shiratakiyama Wind Farm Co., Ltd., the Company's subsidiaries, was clarified and it is expected that asset retirement obligations, etc. regarding the fixed assets of the wind power generation business will be recorded in the first three months of the fiscal year ending March 31, 2026. The Company is currently investigating the amount of influence this will have on its consolidated financial statements.

CONSOLIDATED SUPPLEMENTAL SCHEDULES

Schedule of Corporate Bonds

Not applicable.

Schedule of Outstanding Loans, etc.

	At April 1, 2024	At March 31, 2025	Average rate	Due date
Short-term borrowings	¥15,020 million	¥14,936 million \$99,896 thousand	1.237%	_
Current portion of long-term borrowings	_	_	_	_
Current portion of lease obligations	¥63 million	¥57 million \$381 thousand	_	_
Long-term borrowings (Excluding current portion of long-term borrowings)	_	_	_	_
Lease obligations (Excluding current portion of lease obligations)	¥205 million	¥196 million \$1,313 thousand	_	From 2026 to 2030
Other interest-bearing debt	_	_	_	_
Total	¥15,288 million	¥15,189 million \$101,591 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, 2024 (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	¥105 million	¥60 million	¥26 million	¥3 million
	\$704 thousand	\$404 thousand	\$177 thousand	\$24 thousand

Schedule of Asset Retirement Obligations

Not applicable.

OTHERS

Semi-annual information for the Fiscal Year ended March 31, 2025

	Half year	Full year
Net sales	¥298,040 million \$1,993,314 thousand	¥705,058 million \$4,715,481 thousand
Profit before income taxes	¥15,244 million \$101,958 thousand	¥66,571 million \$445,235 thousand
Profit attributable to owners of parent	¥9,815 million \$65,643 thousand	¥47,250 million \$316,017 thousand
Profit attributable to owners of parent per common share	¥48.92 \$0.32	¥236.26 \$1.58

Independent Auditors' Report

The Board of Directors KINDEN CORPORATION

Opinion

We have audited the accompanying consolidated financial statements of KINDEN CORPORATION and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2025, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Key Audit Matters

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

> Recording sales of completed construction contracts and cost of completed construction contracts based on a method that recognizes revenue over a certain period of time

Description of Key Audit Matter

As described in 5. Summary of Significant Accounting Policies (5) Recognition of Revenues and Costs of Construction Contracts and (Significant accounting estimates) 1. Net sales of completed construction contracts using a method that recognizes revenue over a certain time period, Kinden Corporation and its consolidated subsidiaries apply a method (the input method that estimates the degree of progress based on costs) that recognizes revenue over a certain period of time based on progress for performance obligations that are satisfied over a certain period of time if the progress of the performance obligation can be reasonably estimated. Sales of completed construction contracts recorded based on this method that recognizes revenue over a certain period of time in the current consolidated fiscal year in

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

KINDEN CORPORATION, the parent company was ¥379,594 million,

accounting for 53.8% of the total amount of consolidated sales of

completed construction contracts.

The Company examines and considers the necessary materials, labor-hours, and construction period to satisfy specifications that meet the needs of customers and then formulates an execution budget based on these results. The formulation of the execution budget involves an estimate of the total construction revenue and total construction costs and the estimate is affected by changes in the environment surrounding the contract (changes in materials used, changes in construction details, etc.).

Auditor's Response

We mainly performed the following audit procedures in considering the recognition of construction revenue by applying a method that recognizes revenue over a certain period of time.

1) Evaluation of internal control

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

2) Evaluation of the reasonableness of the estimate of total construc-

We performed audit procedures that include the following for uncertainty in the estimate of total construction revenue to ascertain the details of the contract and evaluate the reasonableness of the estimate of total construction revenue.

For construction contract amounts selected based on specific criteria, we performed checks with the contract, reviewed internal approval documents, and made inquiries of the appropriate personnel responsible for the construction work.

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

Therefore, the key assumptions in recognizing construction revenue using a method that recognizes revenue over a certain period of time are estimates of total construction revenue, total construction costs, and the construction progress rate. These estimates involve uncertainties due to changes in the environment surrounding construction contracts. Additionally, management judgment plays a significant role, posing a considerable risk of subjective application. Consequently, we identified this issue as a key audit matter.

3) Evaluation of the reasonableness of estimate of total construction costs

We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs.

We compared the latest execution budget with the execution budget prior to the changes and evaluated details of differences and verified whether changes in the environment were reflected in the updated execution budget estimate.

To verify whether the execution budget is updated in a timely manner, we questioned the appropriate persons about why the execution budget had not been updated for a certain period of time.

To evaluate the accuracy of estimates of total construction costs, the actual amount incurred for the projects completed in the current term and the latest execution budget for the projects in progress are compared with the execution budget in the previous fiscal period.

We reviewed the execution budget for the current consolidated fiscal year and compared the estimated costs for each item with the supporting documents including quotations.

4) Evaluation of the reasonableness of the estimate of the construction progress rate

We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs.

To verify the appropriateness of the recording of costs, sample vouching was implemented for material costs and outsourcing costs and we used a work schedule to confirm the progress of the construction and questioned the appropriate persons in charge.

We performed positive confirmation procedures to verify the appropriateness of construction accounts payable.

Estimate of provision for loss on construction contracts

Description of Key Audit Matter

As detailed in 5. Summary of Significant Accounting Policies (3) Accounting Basis for Allowances and (Significant Accounting Estimates) 2. Recording of Provision for Loss on Construction Contracts, to prepare for future losses on construction orders, Kinden Corporation and its consolidated subsidiaries record the expected amount of loss for work on hand at the end of the current consolidated fiscal year that is expected to incur losses and for which the amount can be reasonably estimated. The amount recorded for provision for loss on construction contracts at the end of the current consolidated fiscal year was 7,281 million yen.

In order to record the provision for loss on construction contracts, it is necessary to reasonably estimate total construction costs. However, such estimate is affected by changes in the environment surrounding the contract (changes in materials used, changes in construction details, etc.), and there is a high degree of uncertainty in estimating the total construction costs because of fluctuations in future uncertain conditions. Therefore, management's judgment significantly influences the estimation of total construction revenue and costs, which serve as the basis for provisions for loss on construction contracts. There is a substantial risk of arbitrary application in this process. Consequently, we have identified this issue as a key audit matter.

Auditor's Response

We mainly performed the following audit procedures in considering the recording of provision of loss on construction contracts.

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

We performed audit procedures that include the following for the uncertainty in the estimate of total construction revenue to ascertain the details of the contract and evaluate the reasonableness of the estimate of total construction revenue.

For construction contract amounts selected based on specific criteria, we performed checks with the contract, reviewed internal approval documents, and made inquiries of the appropriate personnel responsible for the construction work.

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

3) Evaluation of the reasonableness of the estimate of total construc-

We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs.

We compared the latest execution budget with the execution budget prior to the changes and evaluated details of differences and verified whether changes in the environment were reflected in the updated execution budget estimate.

To verify whether the execution budget is updated in a timely manner, we questioned the appropriate persons about why the execution budget had not been updated for a certain period of time.

To evaluate the accuracy of estimates of total construction costs, the actual amount incurred for the projects completed in the current term and the latest execution budget for the projects in progress are compared with the execution budget in the previous fiscal period.

We reviewed the execution budget for the current consolidated fiscal year and compared the estimated costs for each item with the supporting documents including quotations.

Other Information

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

We also provide Audit & Supervisory Board and its members with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that might reasonably be thought to bear on our independence, and where actions are taken to eliminate or reduce any threats to independence to an acceptable level.

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

Auditor Remuneration

Remuneration paid to us or firms with the same network as us based on the audit services and non-audit services for the Company and its subsidiaries are set out in "Auditor Remuneration".

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

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

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 are presented solely for convenience. Our audit also included the translation of Japanese yen amount into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note1 to the consolidated financial statements.

PKF Hibiki Audit Corporation Osaka, Japan June 24, 2025

Hironori Okada Representative Partner **Engagement Partner** Certified Public Accountant

Akihiro Hosoya Partner

Engagement Partner Certified Public Accountant Akihiro Hosoya

Non-Consolidated Statements of Income

KINDEN CORPORATION For the fiscal years ended March 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars	
	2024	2025	2025	
Net sales of completed construction contracts	¥559,954	¥595,918	\$3,985,542	
Cost of sales of completed construction contracts	472,291	484,544	3,240,665	
Gross profit on completed construction contracts	87,662	111,374	744,877	
Selling, general and administrative expenses	53,139	58,987	394,510	
Operating profit	34,523	52,386	350,366	
Non-operating income:				
Interest income	155	167	1,118	
Interest on securities	188	376	2,517	
Dividends income	4,272	4,649	31,096	
Other	1,057	477	3,192	
Total non-operating income	5,673	5,670	37,924	
Non-operating expenses:	· · · · · · · · · · · · · · · · · · ·			
Interest expenses	106	148	992	
Foreign exchange losses		122	819	
Compensation expenses	91	141	946	
Dismantlement cost	179	154	1,030	
Other	269	329	2,200	
Total non-operating expenses	646	895	5,989	
Ordinary profit	39,549	57,161	382,302	
Extraordinary income:				
Gain on sales of non-current assets	45	478	3,199	
Gain on sales of investment securities	3,345	2,157	14,429	
Other	15	8	56	
Total extraordinary income	3,406	2,644	17,684	
Extraordinary losses:				
Loss on retirement of noncurrent assets	208	338	2,263	
Impairment losses	2	305	2,044	
Other	62	0	0	
Total extraordinary losses	272	644	4,308	
Profit before income taxes	42,683	59,161	395,678	
Income taxes:	42,005	33,101		
Income taxes-current	14,572	18,170	121,526	
Income taxes-deferred	(1,666)	(1,382)	(9,248)	
Total income taxes	12,905	16,787	112,277	
Profit	¥ 29,778	¥ 42,374	\$ 283,400	
TIVIL	+ ∠೨,//٥	+ 42,3/4	¥ 203,400	
	Ye	en	U.S. dollars	
	2024	2025	2025	
Amounts per common share:				
Profit	¥146.74	¥211.88	\$1.41	
Cash dividends	63.00	90.00	0.60	

Non-Consolidated Balance Sheets

KINDEN CORPORATION March 31, 2024 and 2025

Notes receivable-trade Electronically recorded monetary claims-operating Accounts receivable from completed construction contracts Securities Costs on construction contracts in progress Raw materials and supplies Other Allowance for doubtful accounts Total current assets NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT: Buildings Accumulated depreciation Buildings, net	2024 ¥ 19,947 779 26,507 180,397 147,906 15,764 1,923 8,335 (360) 401,202 84,750 (58,527) 26,223	2025 ¥ 65,842 830 19,639 186,917 91,995 16,565 2,303 28,633 (381) 412,346	\$ 440,356 5,556 131,351 1,250,118 615,273 110,789 15,403 191,501 (2,552) 2,757,798
Cash and deposits	¥ 19,947 779 26,507 180,397 147,906 15,764 1,923 8,335 (360) 401,202	¥ 65,842 830 19,639 186,917 91,995 16,565 2,303 28,633 (381) 412,346	\$ 440,356 5,556 131,351 1,250,118 615,273 110,789 15,403 191,501 (2,552) 2,757,798
Cash and deposits	779 26,507 180,397 147,906 15,764 1,923 8,335 (360) 401,202	830 19,639 186,917 91,995 16,565 2,303 28,633 (381) 412,346	5,556 131,351 1,250,118 615,273 110,789 15,403 191,501 (2,552) 2,757,798
Notes receivable-trade Electronically recorded monetary claims-operating Accounts receivable from completed construction contracts Securities Costs on construction contracts in progress Raw materials and supplies Other Allowance for doubtful accounts. Total current assets NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT: Buildings Accumulated depreciation Buildings, net	779 26,507 180,397 147,906 15,764 1,923 8,335 (360) 401,202	830 19,639 186,917 91,995 16,565 2,303 28,633 (381) 412,346	5,556 131,351 1,250,118 615,273 110,789 15,403 191,501 (2,552) 2,757,798
Electronically recorded monetary claims-operating	26,507 180,397 147,906 15,764 1,923 8,335 (360) 401,202	19,639 186,917 91,995 16,565 2,303 28,633 (381) 412,346	131,351 1,250,118 615,273 110,789 15,403 191,501 (2,552) 2,757,798
Accounts receivable from completed construction contracts Securities Costs on construction contracts in progress Raw materials and supplies Other Allowance for doubtful accounts Total current assets NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT: Buildings Accumulated depreciation Buildings, net	180,397 147,906 15,764 1,923 8,335 (360) 401,202	186,917 91,995 16,565 2,303 28,633 (381) 412,346	1,250,118 615,273 110,789 15,403 191,501 (2,552) 2,757,798
Securities	147,906 15,764 1,923 8,335 (360) 401,202 84,750 (58,527)	91,995 16,565 2,303 28,633 (381) 412,346	615,273 110,789 15,403 191,501 (2,552) 2,757,798
Costs on construction contracts in progress Raw materials and supplies Other Allowance for doubtful accounts Total current assets NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT: Buildings Accumulated depreciation Buildings, net	15,764 1,923 8,335 (360) 401,202 84,750 (58,527)	16,565 2,303 28,633 (381) 412,346	110,789 15,403 191,501 (2,552) 2,757,798
Raw materials and supplies Other	1,923 8,335 (360) 401,202 84,750 (58,527)	2,303 28,633 (381) 412,346	15,403 191,501 (2,552) 2,757,798
Other	8,335 (360) 401,202 84,750 (58,527)	28,633 (381) 412,346 86,397	191,501 (2,552) 2,757,798
Allowance for doubtful accounts	(360) 401,202 84,750 (58,527)	(381) 412,346 86,397	(2,552) 2,757,798
Total current assets NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT: Buildings Accumulated depreciation Buildings, net	401,202 84,750 (58,527)	412,346 86,397	2,757,798
PROPERTY, PLANT AND EQUIPMENT: Buildings Accumulated depreciation	(58,527)	•	577,835
PROPERTY, PLANT AND EQUIPMENT: Buildings Accumulated depreciation	(58,527)	•	577,835
Buildings	(58,527)	•	577,835
Accumulated depreciation	(58,527)	•	3,,,033
Buildings, net		(33,330)	(398,319)
<u> </u>	20,223	26,841	179,516
Structures	6,076	6,306	42,178
Accumulated depreciation	(5,142)	(5,204)	(34,808)
Structures, net	933		
· —		1,101	7,369
Machinery and equipment	2,785	2,921	19,538
Accumulated depreciation	(2,334)	(2,400)	(16,052)
Machinery and equipment, net	450	521	3,486
Vehicles	24,093	24,706	165,239
Accumulated depreciation	(19,921)	(20,310)	(135,839)
Vehicles, net	4,171	4,395	29,400
Tools, furniture and fixtures	9,791	10,493	70,180
Accumulated depreciation	(8,563)	(8,763)	(58,611)
Tools, furniture and fixtures, net	1,228	1,729	11,568
Land	56,000	59,226	396,108
Construction in progress	43,688	46,566	311,439
Total property, plant and equipment	132,696	140,382	938,889
INTANGIBLE ASSETS:			
Leasehold interests in land	116	116	777
Telephone subscription right	136	136	910
Software	2,990	3,093	20,692
Total intangible assets	3,243	3,346	22,380
INVESTMENTS AND OTHER ASSETS:			
nvestment securities	133,938	120,430	805,445
Stocks of subsidiaries and associates	16,446	16,090	107,614
Investments in capital of subsidiaries and associates	3,151	3,151	21,074
Long-term loans receivable	104	103	695
Long-term loans receivable from subsidiaries and associates	6,287	4,942	33,054
Distressed receivables	_	16	109
Long-term prepaid expenses	114	223	1,495
Prepaid pension cost	3,579	5,773	38,614
Other	23,209	3,191	21,343
Allowance for doubtful accounts	(784)	(799)	(5,349)
Total investments and other assets	186,047	153,123	1,024,097
Total non-current assets	321,987	296,852	1,985,367
Total assets	¥723,189	¥709,198	\$4,743,166

	Millions	s of yen	Thousands of U.S. dollars
LIABILITIES AND NET ASSETS	2024	2025	2025
CURRENT LIABILITIES:			
Notes payable-trade	¥ 1,129	¥ —	\$ —
Accounts payable for construction contracts	88,294	63,432	424,240
Short-term borrowings	14,170	14,170	94,769
Accounts payable-other	9,972	10,210	68,290
Accrued expenses	14,762	20,370	136,236
Income taxes payable	13,168	16,196	108,321
Advances received on construction contracts in progress	16,301	24,390	163,127
Provision for loss on construction contracts	6,396	7,220	48,291
Provision for warranties for completed construction	308	345	2,307
Provision for bonuses for directors (and other officers)	78	135	907
Other	8,557	9,114	60,958
Total current liabilities	173,139	165,585	1,107,450
NON-CURRENT LIABILITIES:			
Deferred tax liabilities	10,797	7,140	47,754
Provision for retirement benefits	17,446	1,795	12,010
Other	1,100	1,204	8,057
Total non-current liabilities	29,344	10,140	67,822
Total liabilities	202,483	175,726	1,175,272
NET ASSETS: SHAREHOLDERS' EQUITY: Share capital Authorized: 600,000,000 shares			
Issued: 199,954,180 shares (2025)	26,411	26,411	176,641
Capital surplus	29,657	29,657	198,349
Retained earnings	411,898	430,210	2,877,277
Treasury shares	(2,925)	(3,461)	(23,147)
Total shareholders' equity	465,041	482,818	3,229,121
VALUATION AND TRANSLATION ADJUSTMENTS:			
Valuation difference on available-for-sale securities	55,664	50,653	338,772
Total valuation and translation adjustments	55,664	50,653	338,772
Total net assets	520,706	533,471	3,567,894
Total liabilities and net assets	¥723,189	¥709,198	\$4,743,166

Board of Directors and Audit & Supervisory Board Members

As of June 25, 2025

Chairman, Representative Director:	Yoshihiro Doi
President, Representative Director:	Takao Uesaka
Representative Director:	Hiroyuki Hayashi
Directors:	Koji Izaki
	Hanroku Toriyama *1*2
	Keiji Takamatsu *1*2
	Kazunobu Sagara *1*2
	Haruko Kokue *1*2
	Fumi Musashi *1*2
	Miyuki Ishihara *1*2
Permanent Audit & Supervisory Board Member:	Kazuaki Nishikiori
Audit & Supervisory Board Members:	Hideo Tanaka
	Masami Yoshioka *2*3
	Toshimitsu Kamakura *2*3
	Isamu Osa *2*3

^{*1} Outside Director

^{*2} Independent Officer

^{*3} Outside Audit & Supervisory Board Member

Corporate Data

Name:	KINDEN CORPORATION
Date of establishment:	August 26, 1944
Head Office (Osaka):	2-3-41, Honjo-Higashi, Kita-ku, Osaka 531-8550, Japan
Tokyo Head Office:	2-1-21, Kudan-Minami, Chiyoda-ku, Tokyo 102-8628, Japan
Research center:	Kyoto Institute: Kizugawa, Kyoto Prefecture, Japan
Training centers:	Kinden Gakuen: Nishinomiya, Hyogo Prefecture, Japan Human Resources Development Center: Inzai, Chiba Prefecture, Japan
Capital:	¥26,411,487,018 (As of March 31, 2025)
Construction business license:	Construction License of the Ministry of Land, Infrastructure, Transport and Tourism Special Construction License (3), No.114 (15 business categories)
Employees:	8,630 (As of March 31, 2025)
URL:	https://www.kinden.co.jp/english/
Business areas:	Integrated electrical & facility engineering company (Planning, design, procurement, installation, maintenance, renewal)
Electrical	Power generation and substation facilities, overhead power transmission and distribution facilities, underground power transmission and distribution facilities, wind-power generation facilities, nuclear power generation facilities, building electrical facilities, factory electrical facilities, plant electrical facilities, public electrical facilities, photovoltaic power facilities, theater electrical facilities, explosion-proof electrical facilities, disaster-prevention and security facilities, and electrical railroad facilities
Instrumentation	Building instrumentation systems, factory instrumentation systems, facility instrumentation systems and plant instrumentation systems
Information and communications	Communications operators facilities, cable television operators facilities, disaster prevention administrative wireless systems, Internet facilities, Intranet facilities, LAN facilities, telephone systems, multimedia communications facilities, information processing systems and security systems
Air-conditioning and sanitation	Air-conditioning systems, plumbing and sanitation systems, fire-extinguishing systems, freezing and refrigerating systems, water treatment systems, industrial waste processing systems, air purification systems, district heating and cooling systems, medical gas supply systems, cogeneration systems and waterworks
Interiors	System ceilings, metal ceilings, free access floor, partitions, interiors, interior furnishings and small-scale construction
Civil engineering	Survey and investigation, civil engineering structure, land development, road construction, distribution undergrounding and paving
Other	Painting, mechanical installation, landscaping and steel structures

Network

As of July 31, 2025

OVERSEAS OFFICES

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

OVERSEAS AFFILIATE COMPANIES

US Kinden Corporation 1023 Kikowaena Place, Unit #2; Honolulu, HI 96819, U.S.A.

Wasa Electrical Services, Inc. 1023 Kikowaena Place, Unit #2; Honolulu, HI 96819, U.S.A.

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

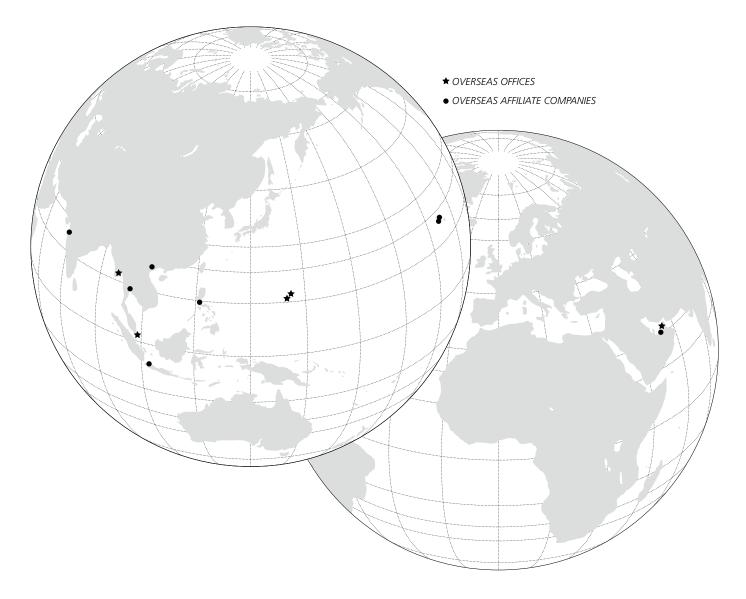
Kinden Phils. Corporation5FL ODC International Plaza, 219 Salcedo St.,
Legaspi Village, Makati City, Philippines

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

Kinden (Thailand) Co., Ltd. SUMMER LASALLE, BUILDING B4, 2ND FLOOR, 846/11 LASALLE ROAD, KWAENG BANGA TAI, KHET BANGNA, BANGKOK 10260, THAILAND

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

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



DOMESTIC NETWORK

Head Office (Osaka)

Tokyo Head Office

Kyoto Institute

Kinden Gakuen Technical Training Center (Kinden Gakuen)

Human Resources Development Center

Hokkaido Branch Office

Sub-branch Offices: Tomakomai, Dounan, Doutou, Douhoku

Tohoku Branch Office

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

Tokyo Metropolitan Business Promotion Division

Kita-Kanto Branch Office

Sub-branch Offices: Gunma, Utsunomiya, Niigata

Higashi-Kanto Branch Office

Sub-branch Offices: Ichihara, Kashima, Ibaraki, Tsukuba

Tokyo Branch Office

Sub-branch Offices: Kofu, Marunouchi

Yokohama Branch Office

Sub-branch Office: Atsugi

Chubu Branch Office

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

Shiga Branch Office

Sub-branch Offices: Ritto, Otsu, Takashima, Hikone, Konan

Kyoto Branch Office

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

Chuo Branch Office

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

Electric Power Branch Office

Sub-branch Offices: Nagoya, Wakasa

Osaka Branch Office

Kobe Branch Office

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

Himeji Branch Office

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

Nara Branch Office

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

Wakayama Branch Office

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

Chugoku Branch Office

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

Shikoku Branch Office

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

Kyushu Branch Office

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

DOMESTIC AFFILIATE COMPANIES

Kinden Shoji Company, Limited

Nishihara Engineering Co., Ltd.

FEN Co., Ltd

KITA KOUDENSHA Corporation

Kinden Tokyo Services Company, Incorporated

Kinden Chubu Services Company, Incorporated

Kinden Kansai Services Company, Incorporated

Kinden Nishinihon Services Company, Incorporated

Daito Denki Kouji Co., Ltd.

Kinden Services Company, Incorporated

KINDENSPINET CORPORATION

Shirama Wind Farm Co., Ltd.

Shiratakiyama Wind Farm Co., Ltd.

Nishihara Construction Co., Ltd.

KINKA Corporation

KINDEN CORPORATION

HEAD OFFICE (OSAKA)

2-3-41, Honjo-Higashi, Kita-ku, Osaka 531-8550, Japan

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

URL

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

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