ANNUAL REPORT 2024

KINDEN CORPORATION

Profile

Since our establishment in 1944 to undertake the construction of urban and corporate infrastructure, Kinden Corporation has expanded our business as a company established to benefit the public, and we will celebrate 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 nation-wide 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.

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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

Message from the President

Business Results in the Year Ended March 2024

Sales and profits both reach record highs

During the fiscal year ended March 31, 2024, the Japanese economy showed signs of improvement in corporate earnings owing to the normalization of socio-economic activities, the pass-through of prices, and the weakening of the yen in the post COVID-19 pandemic age. In the construction industry, despite some lingering difficulties, such as soaring materials prices and labor costs, construction demand trended firmly, driven by the willingness of companies to make capital investments.

In these circumstances, Kinden, which primarily undertakes construction and maintenance work for infrastructure-related equipment such as electrical equipment, promoted various measures aimed at sustainable growth while further strengthening its business foundation.

As a result, Kinden achieved record highs for both net sales and profit, as consolidated net sales increased 7.5% from the previous year to ¥654,516 million, operating income increased 14.0%, to ¥42,677 million, and profit attributable to owners of parent increased 16.8%, to ¥33,553 million.

On a non-consolidated basis, net sales increased 6.8%, to ¥559,954 million, operating income increased 6.5%, to ¥34,523 million, and profit increased 7.6%, to ¥29,778 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 14.6%, 2.9% and 82.5% of these sales, respectively.

Looking at net sales of completed construction contracts by the construction sector, sales in the Power Distribution Lining business increased 5.1%, to ¥73,969 million, due to an increase in construction work for Kansai Transmission and Distribution, Inc. Sales in the Electrical business increased 13.1%, to ¥372,944 million, due to an increase in office buildings and production factories. Sales in the Information & Communications Network business decreased 1.8%, to ¥52,032 million due to a decline in mobile phone-related facilities and CATV facilities despite an increase in on-premise communications works. Sales in the Environmental Management Facilities business decreased 8.7%, to ¥41,421 million due to a decrease in commercial and entertainment facilities and production factories. Sales in the Electric Power & Others business decreased 23.6% year on year, to ¥19,586 million, due to a decrease in power generation and substation construction.

Profit attributable to owners of parent per common share increased ¥25.19 year on year on a consolidated basis to ¥165.34. On a non-consolidated basis, profit per common share increased ¥11.71 to ¥146.74.

Return to Shareholders and Dividend Policy

Increased dividends by ¥23.00 and paid a full-year dividend of ¥63.00 per common share

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

We consider the distribution of profits to shareholders as one of our important management issues in the future as well. Kinden also maintains the fundamental policy of placing top priority on stable and sustainable dividends for shareholders, with a dividend policy that also takes into account business results and financial performance.

In addition, we have an interim dividend system in place to increase opportunities to distribute profits and aim to achieve shareholder-focused management by, for example, paying memorial dividends when we reach a milestone or celebrate an anniversary.

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

Based on this policy and on Initiatives for Investing in Growth and Increasing Corporate Value in the Medium-term Management Plan announced in January 2024, Kinden planned to pay a year-end dividend of ¥40 per share for the fiscal year. However, upon taking into consideration the business performance during the fiscal year, we decided to increase the dividend by ¥3 to ¥43 per share. As a result, we paid an annual dividend of ¥63 per share, including an interim dividend per share of ¥20.

Kinden plans to pay an annual dividend of ¥80 per share for the fiscal year ending March 31, 2025 (ordinary dividend of ¥70 and 80th anniversary commemorative dividend of ¥10). This will include an interim dividend of ¥40 (ordinary dividend of ¥35 and an 80th anniversary commemorative dividend of ¥5) and a year-end dividend of ¥40 (ordinary dividend of ¥35 and an 80th anniversary commemorative dividend of ¥5).

Strategy for enhancing value on a medium-term basis

Deeping Investments in People Taking a Long-term Perspective

In April 2021, Kinden launched a six-year Medium-term Management Plan with the goal of realizing "management that generates consolidated sales on a scale of ¥700,000 million." Within this plan, Kinden is promoting management strategies consisting of its Business Strategy, Environmental Strategy, Human Resources and Workstyle Strategy, and Corporate Strategy, which are based on the SDGs and ESG (environment, society, and governance).

With this year marking the plan's midpoint, Kinden will deepen growth investment centered on human resources, co-create value with multi-stakeholders, and spread awareness and raise recognition of the Kinden brand while aiming to further strengthen its profit-generating capabilities.

For "expanding existing businesses," which is a pillar of our Business Strategy, we will build a construction system and secure construction capabilities to ensure stable power supplies and work to further expand our business in the Electrical business, Environmental Management Facilities, and Information & Communication. These are sectors where we expect strong demand for data centers, logistics facilities, and storage batteries. Concurrently, in our overseas business as well, we are undertaking activities taking a long-term perspective that include reorganizing our International Division and strengthening the management foundation our overseas offices and overseas Group companies.

For "challenging new fields," one other pillar of our Business Strategy," we are actively working on GX (Green Transformation)-related construction projects aimed at realizing a carbon-neutral society, with focus on renewable energy-related construction projects such as wind power and solar power generation.

Kinden is also deploying its Energy Management Service (EMS), which utilizes AI for optimal control of air conditioning facilities, storage batteries, and EV chargers, in a wide range of areas. Kinden's "EMS-AI" is currently scheduled to undergo demonstration testing at the 2025 Japan World Expo (Expo 2025 Osaka, Kansai, Japan), which will be held from April 2025.

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 high-quality human resources (hiring over 400 new graduates each year), strengthening human resource development (rebuilding Kinden Academy), reducing work hours, implementing an organized on-site support system, leveraging ICT to enhance work efficiency, and utilizing engagement surveys.

Turning to our Environmental Strategy, we established the Carbon Neutral Promotion Committee and are undertaking a variety of activities to attain our CO2 emissions reduction target of "achieving a 50% reduction in Scope 1 & 2 emissions by fiscal 2030 (compared with fiscal 2020) on a non-consolidated basis."

For our Corporate Strategy, we are working to strengthen governance to increase our corporate value over the medium to long term.

Forecast for the fiscal year ending March 31, 2025

Deploying the Kinden Group's comprehensive strengths

In the construction industry, difficult conditions such as soaring resource prices and intensifying corporate competition are expected to continue in the year ending March 31, 2025. Nonetheless, the environment for orders is expected to trend firmly, reflecting favorable demand.

Kinden will continue to make "People and Hearts" the basis of its management and actively utilize the technologies, know-how and the abundant track record it has cultivated over long years as it deploys the comprehensive strengths of the Kinden Group.

For the fiscal year ending March 31, 2025, we forecast consolidated net sales of ¥660,000 million, an increase of 0.8%; operating income of ¥44,000 million, down 3.1%; and net income attributable to owners of parent of ¥34,000 million, up 1.3%. I would like to ask our shareholders and investors for your continued understanding and support.

June 2024

Takao Uesaka

Takao Uesaka
President

Executing Growth Investments of ¥140 billion
Capital policy for sustainable growth and development

Aiming for medium-to-long-term growth in returns

As a company entrusted with the vital mission of supporting social infrastructure as exemplified by electric power, Kinden regards "maintaining a stable financial base" as the cornerstone of its financial policy. In its Medium-term Management Plan (FY2021-FY2026), Kinden firmly maintains this policy while making "growth investments centered on human resources" totaling ¥140 billion. These include investment in business infrastructure (approximately ¥80 billion) *1, investment in educational infrastructure (approximately ¥40 billion) *2, and investment in growth areas (approximately ¥20 billion). Through these investments, we aim to raise the "trust and confidence of customers," which is the source of our competitiveness, as well as secure excellent human resources and enhance the "Kinden brand," while continuing stable business operations and achieving medium-to-long-term growth in returns.

*1: See TOPICS 1 on P9, *2: See TOPICS 2 on P9

Striving for a dividend payout ratio of 40% over four years

Regarding capital returns, while appropriately ascertaining the cost of equity we aim to strengthen medium-to-long-term profit-generating capabilities through "growth investment centered on human resources" as well as "ensure ROE in excess of cost of equity" by enhancing the efficiency of equity through the strengthening of shareholder returns.

With regard to the distribution of profits to shareholders, which is one of our management priorities, our basic policy is to pay stable, continuous dividends, and we aim for a total dividend payout ratio of 40% (scale) and a total return ratio of 50%-60% (scale) during the period of the Medium-term Management Plan (FY2023-FY2026).

Strengthen our ability to generate profits and enhance capital efficiency

Strengthen our ability to generate profits (Returns)

- Develop and expand business infrastructure in the Tokyo metropolitan area

Investment in business infrastructure

New office in the Tokyo metropolitan area: ¥**80** billion scale

- Develop and expand infrastructure for construction and engineering.
- Maintain and strengthen a stable power supply system

Investment in educational infrastructure

New education-related facilities: ¥**40** billion scale

- Expand GX-related construction work
- Respond to new forms of infrastructure

Investment in growth areas

Investment in business/M&A, etc.: ¥**20** billion scale

Capital efficiency (Equity)

Shareholder returns

Gradually increase the level of dividends

Target payout ratio of around **40**% in total during the upcoming period of the current Medium-term Management Plan (FY2023–2026)

Further strengthen shareholder returns in line with financial conditions, etc. (Flexible share buybacks)

Target total return ratio of **50**%–**60**%

Reduce policy stock holdings

Plan to reduce holdings from 117 issues in FY2022 to 88 issues in FY2026 (Amount reduced: Approx. ¥11 billion.
*Estimated based on stock prices as of January 31, 2024)

Recent Major Projects

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

Power Distribution Lining

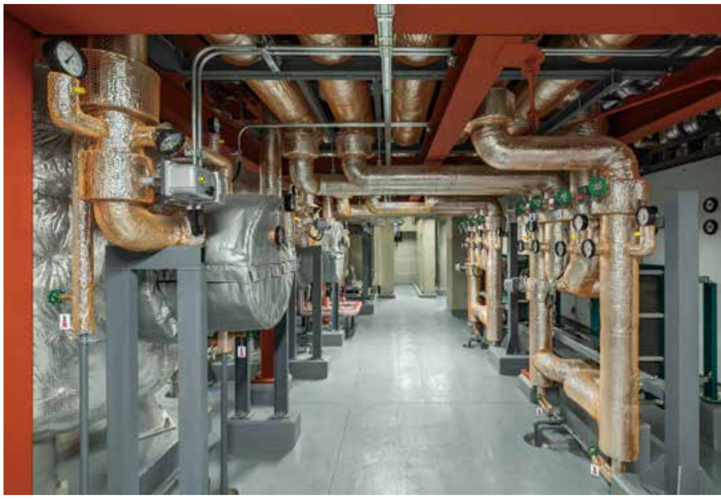
Installation work on power distribution line of The Kansai Transmission and Distribution, Inc. (Fukui)

Electrical

Toranomon Hills Station Tower (Tokyo)

Information & Communications Network

Kansai University Dai-ichi Junior High School & Kansai University Dai-ichi Senior High School (Osaka)



Environmental Management Facilities

SANCTUARY COURT TAKAYAMA (Gifu)

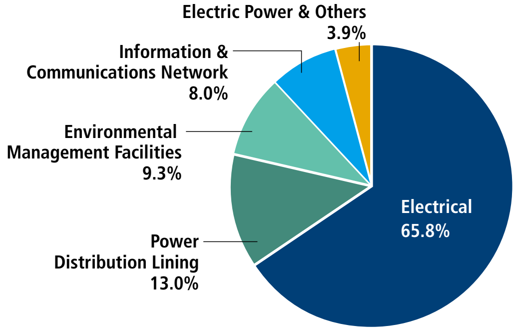
Electric Power & Others

Ohita Wind Farm (Ohita)

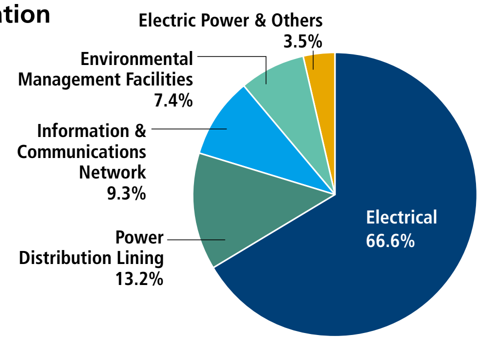
Review of Operations (Non-Consolidated)

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 segment, but remained almost unchanged from the previous fiscal year in the Power Distribution Lining segment and increased in the Electrical, Environmental Management Facilities and Electric Power & Others segments. Net sales of completed construction contracts decreased from the previous fiscal year in the Information & Communications Network, Environmental Management Facilities and Electric Power & Others segments but increased in the Power Distribution Lining and Electrical 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. In this environment, Kinden will contribute to society by meeting customer needs with advanced technologies and skills that provide security, safety and comfort.

Construction Orders



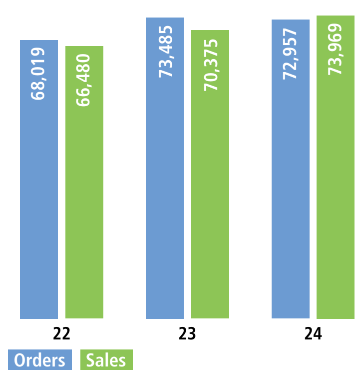
Net Sales of Completed Construction Contracts by Operation



Power Distribution Lining

Orders received decreased 0.7% year on year to ¥72,957 million, and net sales of completed construction contracts rose 5.1% year on year to ¥73,969 million. The decrease in orders received is mainly attributable to a drop in the amount of other power distribution-related work while the main factors for the increase in net sales of completed construction contracts included a rise in the amount of construction work for Kansai Transmission and Distribution, Inc. The Power Distribution Lining segment has been one of the Group's stable business platforms, and electric power companies are expected to continue to systematically implement capital investment with the aim to strengthen their power transmission and distribution networks. Moreover, in other power distribution-related works not associated with Kansai Transmission and Distribution, Inc., we are striving to win orders for the removal of roadside utility poles and lay the lines, high-voltage bulk electric power receiving works for apartment buildings, high-voltage electric power receiving works for convenience stores, and electric vehicle quick charger works. In particular, the Group is focusing on strengthening its business in the Kanto area.

Orders and Sales
Millions of yen



Electrical

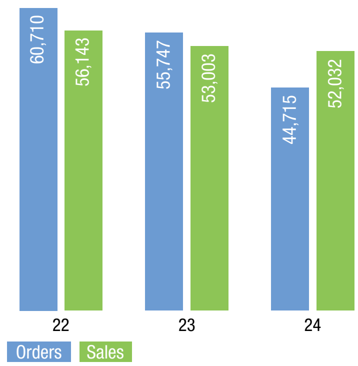
Order received increased 1.1% year on year to ¥368,922 million, and net sales of completed construction contracts rose 13.1% year on year to ¥372,944 million. The main factors contributing to the increase in orders received included a rise in the number of health and medical facilities and factories. The increase in net sales of completed construction contracts is mainly because of an increase in the number of office buildings and factories. We will continue to step up its marketing activities for data centers, demand for which remains at high levels, large-scale buildings in the Tokyo Metropolitan Area where development has been underway, factories in which manufacturers are actively investing to strengthen growth areas, and other areas. In terms of overseas works, with long-term business development overseas continuing to be one of our business strategies, we will also make an effort to expand orders received by working closely with communities in countries where economic growth is expected in addition to focusing on Japanese-owned private factories and large-scale commercial facilities mainly in Asia.

Orders and Sales
Millions of yen

Information & Communications Network

Orders received decreased 19.8% year on year to ¥44,715 million. Net sales of completed construction contracts declined 1.8% from the previous year to ¥52,032 million. The main factors for the decrease in orders received included a decrease in the amount of local area network and mobile-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

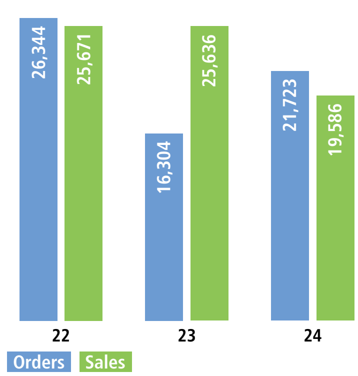
Orders received increased 8.9% year on year to ¥52,097 million, and net sales of completed construction contracts decreased 8.7% year on year to ¥41,421 million. The main factors contributing to the increase in orders received included a rise in the number of office buildings. The decrease in net sales of completed construction contracts is mainly attributable to a drop in the number of commercial and entertainment facilities and 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 yen

Electric Power & Others

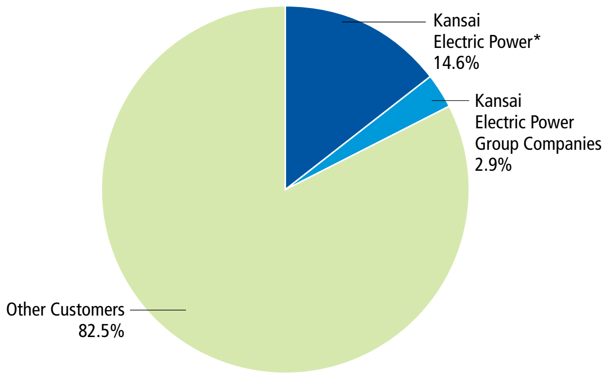
Orders received increased 33.2% year on year to ¥21,723 million. Net sales of completed construction contracts declined 23.6% from the previous year to ¥19,586 million. The main factors for the increase in orders received included an increase in the amount of overhead power line projects and power stations and substations work, while the decrease in net sales of completed construction contracts is attributable to a decline in the amount of power station and substation work. Going forward, we will strive to secure orders for renewable energy related facilities work such as for wind power generation facilities as well as secure orders for construction work for improving safety such as to replace aging power lines and electrical transmission tower reconstruction.

Orders and Sales
Millions of yen



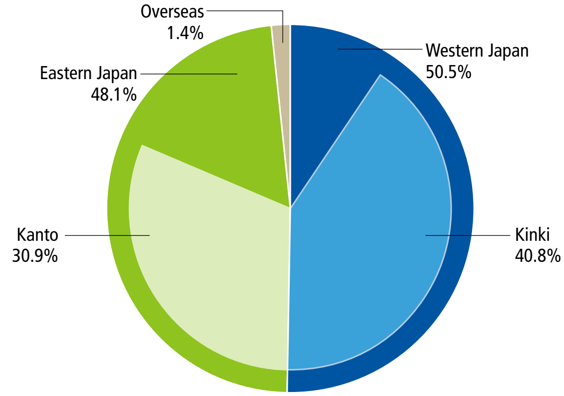
■ Composition of Non-Consolidated Net Sales, Contract Backlog by Operation and Shareholding Ratio *(Fiscal 2024)*

Net Sales by Customer

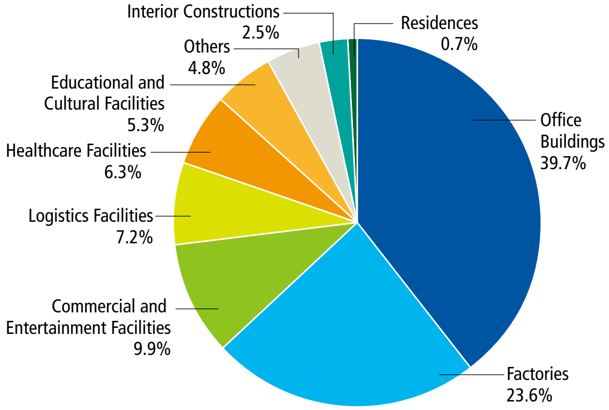


* Includes Kansai Transmission and Distribution, Inc.

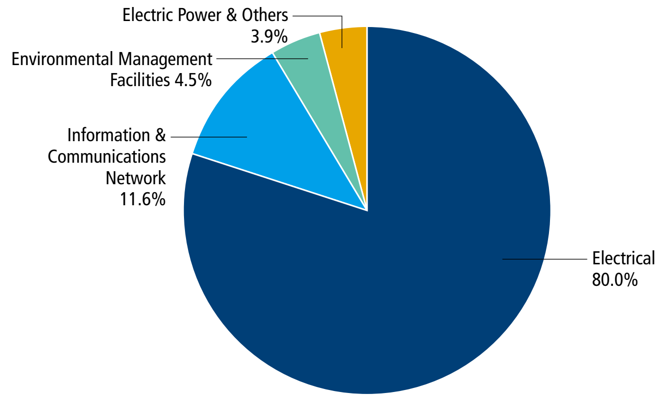
Net Sales by Region (excluding sales of Power Distribution Lining)



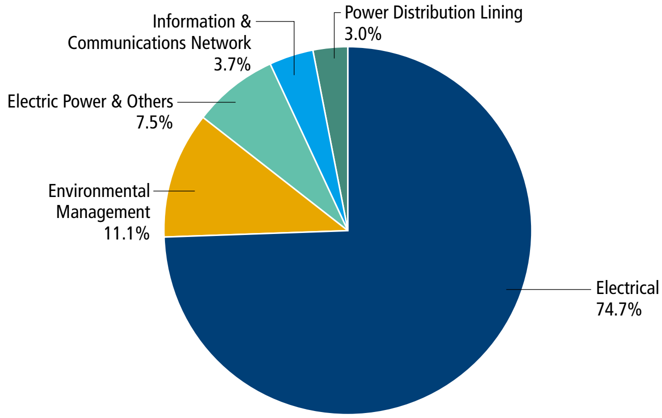
Net Sales by Facility (Electrical)



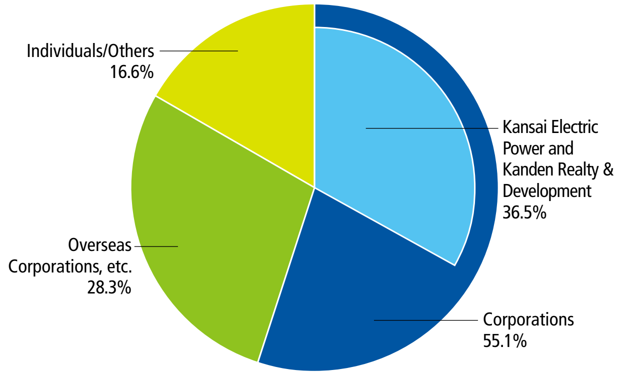
Net Sales of Renewal Construction by Operation (excluding sales of Power Distribution Lining)



Contract Backlog by Operation



Shareholding Ratio



TOPICS

Achieve Renewed Growth as We Celebrate Our 80th Anniversary

Kinden will celebrate its 80th anniversary on September 1, 2024. We will keep improving and developing our human resources to achieve renewed growth, heeding the bedrock of our business management, “human resources and heart.”

Opening a New Office in Toyosu, Tokyo

A cutting-edge office building to help expand our share in Tokyo

To expand our share in Tokyo, we decided to centralize and integrate the functions of our departments currently dispersed all over Tokyo and the bases of the Kinden Group companies and open a new office in Toyosu 2-chome area of Koto Ward.

The area is being developed as the final large-scale redevelopment project in the Toyosu 4-2 District Development Plan (tentative name). Building A, the planned site of our new office, has one basement floor and 18 floors above ground and has introduced the latest and sustainable equipment such as ICT and environmental technologies. The building is scheduled to be completed in June 2025.

With the new office, we seek to expand our existing and new businesses as well as strengthening our sales capabilities, enhancing our productivity and streamlining our operations. At the same time, the cutting-edge office space and the new training and research facilities are intended to diversify employees’ workstyles and increase their comfort while we also provide practical training in engineering. As a measure to strengthen our BCP (business continuity planning), we will also establish a resilient base for disaster control equipped with advanced anti-disaster functions.


New office in Toyosu, Tokyo (rendering)

Kinden Gakuen’s Relocation and Rebuilding Decided

Core educational facility with a view to 40 - 50 years ahead

We have decided to relocate and rebuild the Kinden Gakuen Technical Training Center (Kinden Gakuen), our core training facility, as part of investment in staff training infrastructure aimed to secure and develop human resources who are our future leaders. The candidate site is located in Osaka and is approx. 115,000 square meters in area. The building is scheduled to be completed within fiscal 2026.

Established as the tenth anniversary project, the Kinden Gakuen is the core facility for our training and has a history spanning more than a half century. The current Kinden Gakuen (Nishinomiya City, Hyogo: 5,500 tsubo or approx. 18,182 square meters) is equipped with a dormitory, an exercise space and other spaces, let alone a training facility. The training facility is fully equipped to train new employees in power distribution lining and general construction work, and places importance on quality and safety in providing practical training.

The new Kinden Gakuen will serve as the core training base for the entire Kinden Group with a view to 40 – 50 years ahead. While retaining our traditional training policy, the new center will have a training environment compatible with the latest technologies, new values and diversity. We will continue with efforts to develop a group of professionals firmly determined to carry through a job.


New Kinden Gakuen (rendering)

Main Policies

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

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

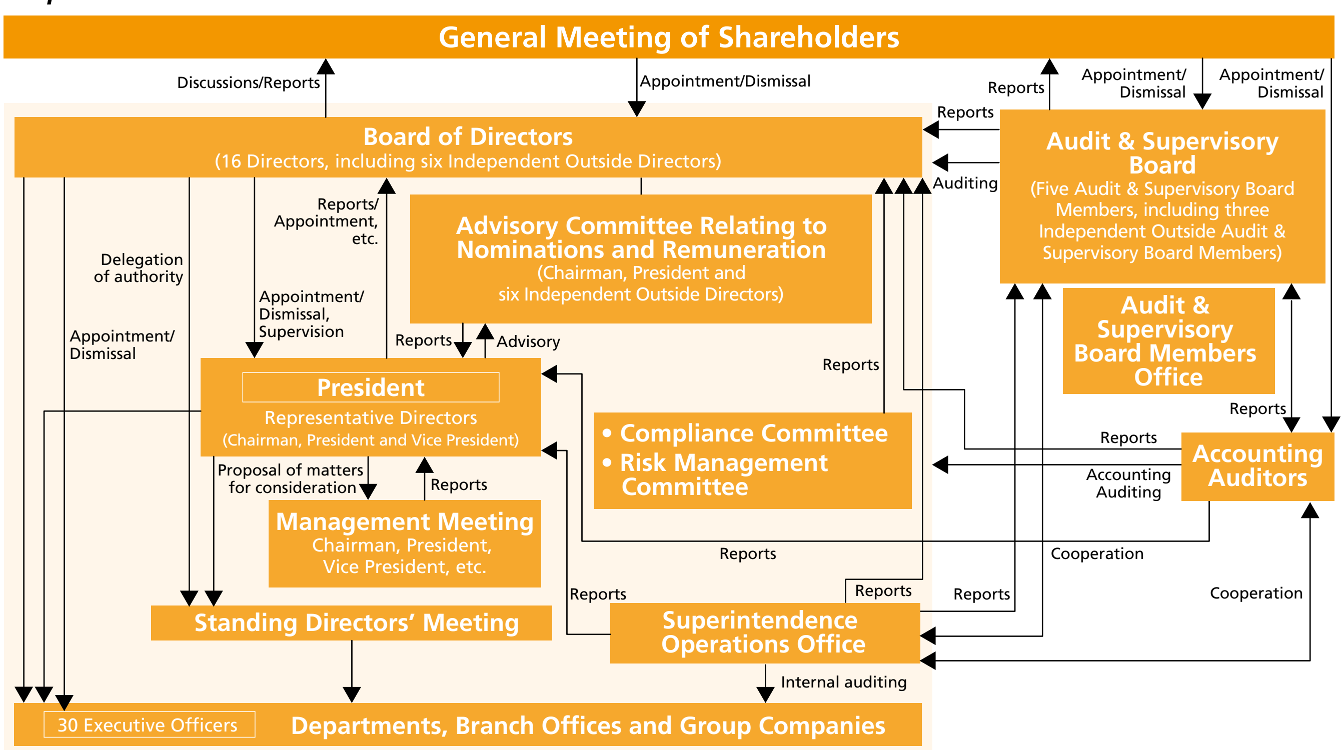
The Company has adopted an Executive Officer system, with the aim of speeding up decision making, enhancing the monitoring function over business execution and enabling the executive officers in charge of specific operations to focus on their business execution. With regard to the monitoring function,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

Corporate Governance System

Overview of the Corporate Governance System

Institutional design	A company with Audit & Supervisory Board Members
Chairman of the Board	Yoshihiro Doi (Chairman)
Number of Directors	16 (including Six Outside Directors)
Directors' terms of office	One year
Number of Audit & Supervisory Board Members	Five (including three Outside Audit & Supervisory Board Members)
Audit & Supervisory Board Members' term of office	Four years
Appointment of Independent Officers	Six Outside Directors, Three Outside Audit & Supervisory Board Members
Key meetings attended by Audit & Supervisory Board Members	Board of Directors, Audit & Supervisory Board
Accounting auditor	PKF Hibiki Audit Corporation

Corporate Governance Structure



Overview of Main Meetings and Committees

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

Status of Enhancement of the Risk Management System

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

Audit & Supervisory Board and Internal Audits

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

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

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

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

Relationships with Outside Directors and Outside Audit & Supervisory Board Members

With respect to Outside Directors Hanroku Toriyama, Keiji Takamatsu, Keizo Morikawa, Kazunobu Sagara, Haruko Kokue and Fumi Musashi as well as Outside Audit & Supervisory Board Members Masami Yoshioka, Toshimitsu Kamakura and Isamu Osa, there are no personal relationships, capital relationships, business relationships or other special interests between Kinden and these individuals or the organizations to which they belong. They have been appointed and reported as independent directors in accordance with criteria set forth by the financial instruments exchange, and there is no risk of conflicts of interest with general shareholders.

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

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.

Keizo Morikawa

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

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. As she has extensive professional experience and a wide range of knowledge and insight in these fields, we have deemed that she is a person suitable to be an Outside Director and we have selected her as a Director. We expect she will 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. As she has extensive professional experience in overseas business and a wide range of knowledge and insight in global corporate management, we have deemed that she is a person suitable to be an Outside Director and we have selected her as a Director. We expect she will 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.

Director Remuneration

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

Executive director category	Total remuneration (Millions of yen)	Total remuneration by remuneration type (Millions of yen)			Number of applicable executive officers
		Fixed remuneration	Performance-based remuneration	Non-monetary remuneration, etc.	
Directors (Excluding Outside Directors)	523	405	78	39	13
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	71	71	—	—	3
Outside Directors and Outside Audit & Supervisory Board Members	61	61	—	—	10

Auditor Remuneration

Remuneration paid to PKF Hibiki Audit Corporation in the 110th fiscal term (the fiscal year ended March 31, 2024) for audit and attestation services totaled ¥52 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 ¥2 million and the non-audit services totaled ¥1 million.

Five-Year Financial Summary

For the fiscal years ended March 31

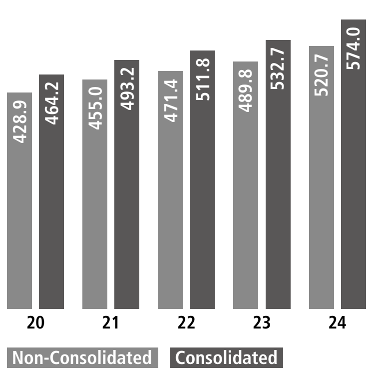
	Consolidated Millions of yen					Non-Consolidated Millions of yen				
	2020	2021	2022	2023	**2024**	2020	2021	2022	2023	**2024**
FOR THE YEAR										
Net sales	¥585,905	¥556,273	¥566,794	¥609,132	**¥654,516**	¥516,196	¥486,705	¥493,724	¥524,233	**¥559,954**
Power distribution lining						62,993	63,261	66,480	70,375	**73,969**
Electrical						341,680	306,546	309,292	329,873	**372,944**
Information & communications network						50,399	55,190	56,143	53,003	**52,032**
Environmental management facilities						34,551	35,220	36,136	45,344	**41,421**
Electric power & others						26,570	26,486	25,671	25,636	**19,586**
Operating income	45,026	42,948	37,087	37,430	**42,677**	37,701	37,496	35,136	32,410	**34,523**
Profit attributable to owners of parent	32,500	32,356	26,366	28,722	**33,553**					
Profit						30,576	31,065	25,824	27,672	**29,778**
Comprehensive income	29,457	46,927	26,117	29,083	**57,063**					
Capital investment*1	6,592	4,417	5,935	29,480	**25,953**					
Depreciation and amortization	5,415	6,161	6,684	6,804	**6,732**					
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	464,235	493,209	511,843	532,713	**574,053**	428,929	455,023	471,438	489,839	**520,706**
Total assets	654,279	683,022	700,259	742,841	**815,887**	592,198	620,793	633,822	669,708	**723,189**
Number of shares outstanding (excluding treasury stock) (Thousands) Balance at end of year	211,438	204,946	204,944	204,675	**201,290**	211,438	204,946	204,944	204,675	**201,290**
Number of employees (Persons)*2	12,984	12,935	12,892	12,704	**13,240**	7,645	7,801	7,995	8,136	**8,302**
Equity ratio (%)	70.8	72.0	73.0	71.6	**70.3**	72.4	73.3	74.4	73.1	**72.0**
Return on equity (ROE) (%)	7.1	6.8	5.3	5.5	**6.1**	7.2	7.0	5.6	5.8	**5.9**
Payout ratio (%)	21.3	22.4	28.8	28.5	**38.1**	22.6	23.3	29.4	29.6	**42.9**
Price-earnings ratio (Times)	10.62	12.05	12.27	11.38	**16.31**	11.29	12.55	12.52	11.81	**18.37**

*1 Lease assets are included in capital investment amounts.

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

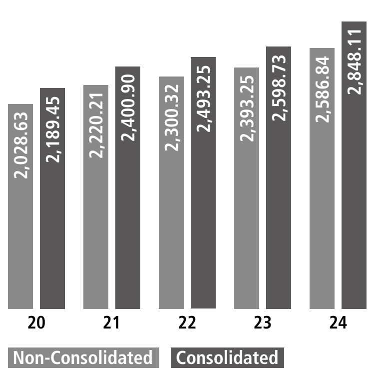
Total Net Assets

Billions of yen



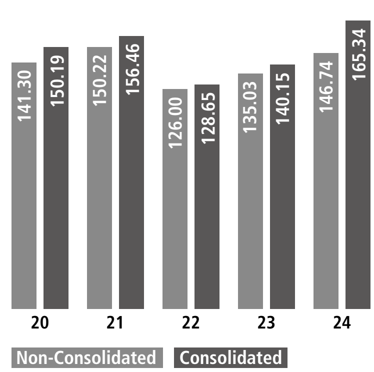
Net Assets per Common Share

Yen



Profit per Common Share

Yen



RESULTS OF OPERATIONS

The Kinden Group recorded a ¥45,384 million, or 7.5%, increase in net sales of completed construction contracts from the previous fiscal year to ¥654,516 million (US$4,322,808 thousand). The volume of construction work on hand at the beginning of the fiscal year was at a record high. Net sales of completed construction contracts increased at the Company and its domestic and overseas subsidiaries, reflecting a favorable order environment.

Gross profit on completed construction contracts increased ¥8,555 million, or 8.6%, from the previous fiscal year to ¥107,581 million (US$710,527 thousand), mainly due to an increase in completed construction contracts.

Selling, general and administrative (SG&A) expenses increased ¥3,308 million, or 5.4%, from the previous fiscal year to ¥64,903 million (US$428,663 thousand). The increase is attributable to higher personnel expenses, mainly due to increases in base pay, and higher expenses related to workstyle reform and information systems.

Operating income increased ¥5,246 million, or 14.0%, to ¥42,677 million (US$281,864 thousand).

Ordinary income increased ¥5,738 million, or 14.3%, to ¥45,982 million (US$303,693 thousand).

Profit attributable to owners of parent increased ¥4,830 million, or 16.8%, to ¥33,553 million (US$221,607 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, 2024 amounted to ¥482,216 million, up ¥4,658 million, or 1.0%, from March 31, 2023. The rise was due primarily to an increase in notes receivable, accounts receivable from completed construction contracts and other.

Noncurrent assets increased ¥68,386 million, or 25.8%, from the end of the previous fiscal year, to ¥333,671 million. The main contributing factors were an increase in investment securities due to higher stock prices and an increase in construction in progress.

As a result, total assets amounted to ¥815,887 million (US$5,388,596 thousand) at the end of the fiscal year, up ¥73,045 million, or 9.8%, from the end of the previous fiscal year.

Liabilities

Current liabilities increased ¥23,543 million, or 12.9%, from the end of the previous fiscal year to ¥205,350 million. This increase was due mainly to a rise in notes payable, accounts payable for construction contracts and other and advances received on uncompleted construction contracts.

Noncurrent liabilities increased ¥8,162 million, or 28.8%, to ¥36,483 million, mainly due to an increase in deferred tax liabilities.

Consequently, total liabilities came to ¥241,834 million (US$1,597,215 thousand), an increase of ¥31,706 million, or 15.1%, from the end of the previous fiscal year.

Net Assets

Shareholders' equity rose ¥17,832 million, to ¥506,264 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 ¥23,565 million to ¥67,031 million, chiefly due to an increase in valuation difference on available-for-sale securities which was a result of higher stock prices.

Additionally, non-controlling interests amounted to ¥757 million.

As a result, total net assets amounted to ¥574,053 million (US$3,791,381 thousand), an increase of ¥41,339 million, or 7.8%, from the end of the previous fiscal year. The equity ratio stood at 70.3%, a decrease of 1.3 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 ¥38,520 million (US$254,411 thousand), compared with ¥30,153 million in the previous fiscal year. This was due to profit before income taxes, despite income taxes paid.

Net cash used in investing activities came to ¥22,179 million (US$146,488 thousand), compared with ¥27,393 million used in the previous fiscal year. This was due to the purchase of property, plant and equipment.

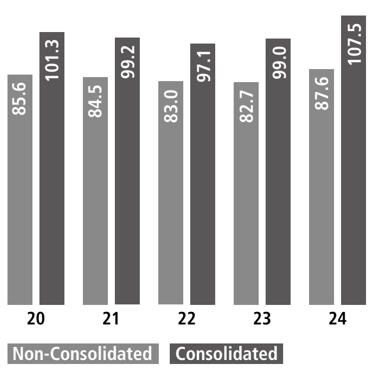
Net cash used in financing activities was ¥15,978 million (US$105,532 thousand), compared with ¥9,340 million used in the previous fiscal year, mainly owing to the purchase of treasury shares and cash dividends paid.

As a result, cash and cash equivalents stood at ¥180,517 million (US$1,192,244 thousand), an increase of ¥1,040 million from the end of the previous fiscal year, compared with a decrease of ¥5,024 million in the previous fiscal year.

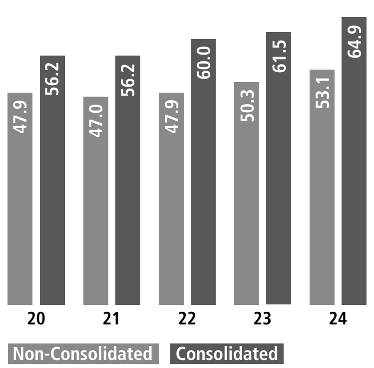
RISK FACTORS

Among matters related to business conditions, accounting conditions, etc., the following are the main risks that management recognizes could have a significant impact on the financial condition, operating

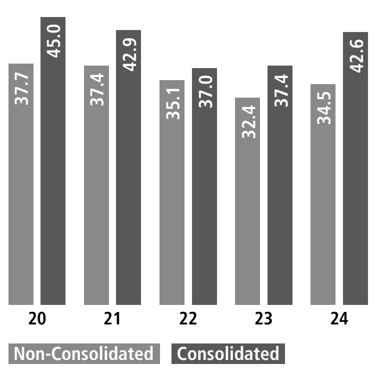
Gross Profit on Completed Construction Contracts
Billions of yen



Selling, General and Administrative Expenses
Billions of yen



Operating Income
Billions of yen



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 management of our business 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.

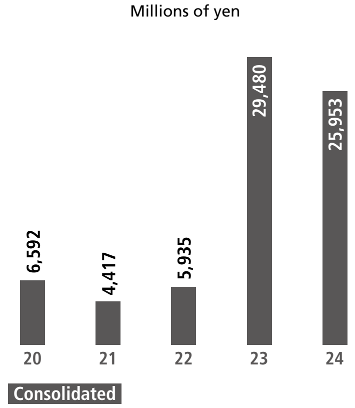
2. Restrained construction investment through national and local government policy

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.

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.

Capital Investment



4. Increased materials costs and outsourcing costs

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

5. Restrained capital investment by Kansai Electric Power Group

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

Exposure to Bad Debts Due to Customer Bankruptcies and Other Factors

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

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

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

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

Leakage of Confidential Information

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

Climate Change

Recognizing that responding to climate change and other environmental issues is one of its most important management issues, 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 Kinden Group's business results and financial position.

Consolidated Balance Sheets

KINDEN CORPORATION AND SUBSIDIARIES
March 31, 2023 and 2024

ASSETS	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
CURRENT ASSETS:			
Cash and deposits	¥ 45,361	¥ 53,014	$ 350,138
Notes receivable, accounts receivable from completed construction contracts and other	232,930	251,738	1,662,630
Short-term investment securities	152,702	147,906	976,864
Costs on uncompleted construction contracts	19,030	18,261	120,606
Raw materials and supplies	2,366	3,022	19,962
Other	27,716	11,254	74,328
Allowance for doubtful accounts	(2,551)	(2,981)	(19,694)
Total current assets	477,557	482,216	3,184,836
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings and structures	99,966	102,536	677,209
Machinery, equipment and vehicles	42,929	44,045	290,903
Tools, furniture and fixtures	12,366	12,497	82,541
Land	59,421	59,446	392,622
Construction in progress	24,348	44,090	291,199
Accumulated depreciation	(115,189)	(118,170)	(780,467)
Total property, plant and equipment	123,843	144,446	954,009
INTANGIBLE ASSETS	7,814	7,280	48,087
INVESTMENTS AND OTHER ASSETS:			
Investment securities	122,189	142,459	940,883
Net defined benefit asset	6,527	14,571	96,241
Deferred tax assets	994	955	6,312
Other	4,775	24,803	163,814
Allowance for doubtful accounts	(860)	(846)	(5,589)
Total investments and other assets	133,627	181,943	1,201,663
Total noncurrent assets	265,284	333,671	2,203,760
Total assets	¥742,841	¥815,887	$5,388,596

See the accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen 2023	Millions of yen 2024	Thousands of U.S. dollars 2024
CURRENT LIABILITIES:			
Notes payable, accounts payable for construction contracts and other	¥ 91,327	¥105,731	$ 698,312
Short-term loans payable	15,070	15,020	99,200
Income taxes payable	12,276	14,400	95,107
Advances received on uncompleted construction contracts	20,957	25,948	171,378
Provision for loss on construction contracts	2,456	6,396	42,245
Provision for warranties for completed construction	602	700	4,625
Provision for directors' bonuses	190	208	1,375
Other	38,925	36,945	244,009
Total current liabilities	181,806	205,350	1,356,254
NONCURRENT LIABILITIES:			
Long-term loans payable	25	—	—
Deferred tax liabilities	6,202	14,405	95,144
Provision for directors' retirement benefits	165	110	728
Net defined benefit liability	21,648	21,661	143,067
Other	277	305	2,020
Total noncurrent liabilities	28,321	36,483	240,960
Total liabilities	210,127	241,834	1,597,215
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 202,641,080 shares (2024)	26,411	26,411	174,436
Capital surplus	29,147	29,163	192,612
Retained earnings	433,604	453,615	2,995,938
Treasury stock	(731)	(2,925)	(19,322)
Total shareholders' equity	488,431	506,264	3,343,665
ACCUMULATED OTHER COMPREHENSIVE INCOME:			
Valuation difference on available-for-sale securities	39,827	57,144	377,415
Deferred gains or losses on hedges	(8)	—	—
Foreign currency translation adjustment	2,179	3,271	21,606
Remeasurements of defined benefit plans	1,468	6,615	43,693
Total accumulated other comprehensive income	43,465	67,031	442,714
NON-CONTROLLING INTERESTS	816	757	5,001
Total net assets	532,713	574,053	3,791,381
Total liabilities and net assets	¥742,841	¥815,887	$5,388,596

Consolidated Statements of Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Net sales of completed construction contracts	¥609,132	¥654,516	$4,322,808
Cost of sales of completed construction contracts	510,106	546,935	3,612,280
Gross profit on completed construction contracts	99,025	107,581	710,527
Selling, general and administrative expenses	61,595	64,903	428,663
Operating income	37,430	42,677	281,864
Non-operating income:			
Interest income	231	394	2,603
Dividends income	2,042	2,335	15,423
Foreign exchange gains	471	666	4,400
Other	696	779	5,150
Total non-operating income	3,442	4,175	27,577
Non-operating expenses:			
Interest expenses	162	135	896
Compensation expenses	20	96	634
Dismantlement cost	70	179	1,184
Other	375	459	3,032
Total non-operating expenses	628	870	5,748
Ordinary income	40,243	45,982	303,693
Extraordinary income:			
Gain on sales of investment securities	2,814	3,349	22,122
Other	82	154	1,017
Total extraordinary income	2,896	3,503	23,139
Extraordinary loss:			
Loss on retirement of non-current assets	259	351	2,319
Other	171	72	477
Total extraordinary losses	431	423	2,796
Profit before income taxes	42,709	49,062	324,036
Income taxes-current	14,112	17,162	113,352
Income taxes-deferred	(3)	(1,531)	(10,115)
Total income taxes	14,108	15,631	103,237
Profit	28,600	33,431	220,799
Profit (loss) attributable to non-controlling interests	(121)	(122)	(807)
Profit attributable to owners of parent	¥ 28,722	¥ 33,553	$ 221,607

	Yen		U.S. dollars
	2023	2024	2024
Amounts per common share:			
Profit attributable to owners of parent	¥140.15	¥165.34	$1.09
Cash dividends	40.00	63.00	0.41

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Profit	¥28,600	¥33,431	$220,799
Other comprehensive income:			
Valuation difference on available-for-sale securities	(1,024)	17,317	114,374
Deferred gains or losses on hedges	(8)	8	58
Foreign currency translation adjustment	2,388	1,158	7,653
Remeasurements of defined benefit plans, net of tax	(872)	5,147	33,996
Other comprehensive income	482	23,632	156,083
Comprehensive income	29,083	57,063	376,882
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	¥29,130	¥57,119	$377,250
Comprehensive income attributable to non-controlling interests	(46)	(55)	(367)

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, 2023 and 2024

	Thousands	Millions of yen									
	Shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on avaiable-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjust-ment	Remeasure-ments of defined benefit plans	Non-con-trolling interests	Total net assets
Balance at April 1, 2022	205,141	¥26,411	¥29,147	¥412,671	(¥310)	¥40,851	¥—	(¥134)	¥2,340	¥864	¥511,843
Cash dividends				(7,788)							(7,788)
Profit attributable to owners of parent				28,722							28,722
Purchase of treasury stock					(464)						(464)
Disposal of treasury stock			0	(1)	43						41
Cancellation of treasury stock											—
Transfer to capital surplus from retained earnings											—
Net changes of items other than shareholders' equity						(1,024)	(8)	2,313	(872)	(48)	359
Balance at April 1, 2023	205,141	¥26,411	¥29,147	¥433,604	(¥731)	¥39,827	(¥8)	¥2,179	¥1,468	¥816	¥532,713
Cash dividends				(8,458)							(8,458)
Profit attributable to owners of parent				33,553							33,553
Purchase of treasury stock					(7,301)						(7,301)
Disposal of treasury stock			3		35						39
Cancellation of treasury stock	(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 March 31, 2024	202,641	¥26,411	¥29,163	¥453,615	(¥2,925)	¥57,144	¥—	¥3,271	¥6,615	¥757	¥574,053

	Thousands	Thousands of U.S. dollars									
	Shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on avaiable-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjust-ment	Remeasure-ments of defined benefit plans	Non-con-trolling interests	Total net assets
Balance at April 1,2023	205,141	$174,436	$192,510	$2,863,775	($ 4,834)	$263,040	($58)	$14,392	$9,696	$5,393	$3,518,353
Cash dividends				(55,868)							(55,868)
Profit attributable to owners of parent				221,607							221,607
Purchase of treasury stock					(48,221)						(48,221)
Disposal of treasury stock			24		233						258
Cancellation of treasury stock	(2,500)		(33,499)		33,499						—
Transfer to capital surplus from retained earnings			33,576	(33,576)							—
Net changes of items other than shareholders' equity						114,374	58	7,213	33,996	(392)	155,251
Balance at March 31, 2024	202,641	$174,436	$192,612	$2,995,938	($19,322)	$377,415	$—	$21,606	$43,693	$5,001	$3,791,381

See the accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KINDEN CORPORATION AND SUBSIDIARIES
For the fiscal years ended March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income taxes	¥ 42,709	¥ 49,062	$ 324,036
Adjustments for:			
Depreciation	6,804	6,732	44,462
Impairment losses	137	2	13
Increase (decrease) in allowance for doubtful accounts	193	277	1,831
Increase (decrease) in provision for loss on construction contracts	(55)	3,940	26,023
Increase (decrease) in net defined benefit liability	349	175	1,158
Decrease (increase) in net defined benefit asset	(572)	(883)	(5,832)
Interest and dividends income	(2,273)	(2,729)	(18,026)
Interest expenses	162	135	896
Loss (gain) on sale of investment securities	(2,814)	(3,349)	(22,122)
Loss (gain) on sales and retirement of non-current assets	206	236	1,561
Decrease (increase) in notes and accounts receivable-trade	(23,023)	(17,725)	(117,069)
Decrease (increase) in costs on uncompleted construction contracts	956	792	5,233
Increase (decrease) in notes and accounts payable-trade	8,533	14,144	93,417
Increase (decrease) in advances received on uncompleted construction contracts	9,713	4,710	31,109
Other	128	(4,487)	(29,635)
Sub-total	41,156	51,033	337,057
Interest and dividends income received	2,308	2,753	18,182
Interest expenses paid	(162)	(135)	(896)
Income taxes paid	(13,149)	(15,130)	(99,932)
Net cash provided by (used in) operating activities	30,153	38,520	254,411
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments into time deposits	(9,239)	(9,759)	(64,455)
Proceeds from withdrawal of time deposits	9,265	9,221	60,907
Payments of deposit	(10,000)	(20,000)	(132,091)
Proceeds from withdrawal deposit	10,000	20,000	132,091
Purchase of short-term and long-term investment securities	(20,478)	(20,057)	(132,471)
Proceeds from sale and redemption of short-term and long-term investment securities	22,401	26,768	176,794
Purchase of property, plant and equipment	(28,710)	(27,522)	(181,773)
Proceeds from sales of property, plant and equipment	113	327	2,163
Other	(745)	(1,158)	(7,653)
Net cash provided by (used in) investing activities	(27,393)	(22,179)	(146,488)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term loans payable	(918)	(50)	(330)
Purchase of treasury stock	(464)	(7,302)	(48,228)
Cash dividends paid	(7,788)	(8,458)	(55,868)
Dividends paid to non-controlling interests	(1)	(3)	(24)
Other	(167)	(163)	(1,081)
Net cash provided by (used in) financing activities	(9,340)	(15,978)	(105,532)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	1,556	678	4,481
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,024)	1,040	6,872
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	184,501	179,477	1,185,372
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	¥179,477	¥180,517	$1,192,244

See the accompanying notes to consolidated financial statements.

1. Basis of Presenting Consolidated Financial Statements

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

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

The amounts stated in the accompanying consolidated financial statements are in Japanese yen. U.S. dollar amounts included in the accompanying consolidated financial statements and the notes to consolidated financial statements represent the arithmetic result of translating Japanese yen to U.S. dollar amounts on a basis of ¥151.41 to US$1, the fixed-market rate on March 31, 2024. U.S. dollar amounts are rounded down to the nearest thousand dollars. Such U.S. dollar amounts are not intended to imply that Japanese yen amounts have been converted, realized or settled in U.S. dollars, at that or any other rate.

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

(1) Consolidated subsidiaries: 21

(2) The names of the principal consolidated subsidiaries are as reported in Network on p.52-53 of the Annual Report.

3. Major Affiliates Accounted for by the Equity Method

(1) Number of affiliate accounted by the equity method: 1

(2) Name of affiliate accounted by the equity method
Kinka Corporation

(3) Names of affiliates not accounted for by the equity method
Sanyu Co., Ltd. and three other companies
The four non-equity method affiliates are excluded from the application of the equity method owing to their having no material effect on profit (proportionate to equity holdings) and retained earnings (proportionate to equity holdings) and due to their having little significance in relation to the Company’s overall position.

4. Fiscal Year-End of Consolidated Subsidiaries

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

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

5. Summary of Significant Accounting Policies

(1) Standards and Methods for Valuing Assets

Securities

1) Held-to-maturity debt securities
Amortized cost method (Straight-line method)

2) Available-for-sale securities
Securities other than securities without quoted market values
Market value method (Net unrealized gains and losses on available-for-sale securities are reported directly to net assets. The costs of these securities are calculated based on the moving-average cost method.)

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

Derivatives

Market value method

Inventories

1) Costs on uncompleted construction contracts
Costs on uncompleted construction contracts are stated at actual cost.

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

(2) Method of Depreciation of Material Depreciable Assets

1) Tangible fixed assets (Excluding leased assets)

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

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

2) Intangible assets (Excluding leased assets)

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

3) Leased assets

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

(3) Accounting Basis for Allowances

1) Allowance for doubtful accounts

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

2) Provision for loss on construction contracts

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

3) Provision for warranties for completed construction

To provide for possible future expenses under warranties for completed construction contracts, the Company makes allowance provisions for construction contracts completed during the fiscal year. The provision amount is determined based on estimates of claims on construction contracts for which the Company has warranty liability.

4) Provision for directors' bonuses

To provide for the payment of directors' bonuses, the Company makes allowance provisions for directors' bonuses based on the expected amount applicable to the fiscal year.

5) Provision for directors' retirement benefits

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

(4) Retirement Benefits

1) Method of attributing expected benefit to period

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

2) Amortization of actuarial differences and prior service cost

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

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

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

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

4) Application of simplified methods for small companies

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

(5) Recognition of Revenues and Costs of Construction Contracts

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

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

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

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

(6) Accounting for Hedging

1) Method for hedge accounting

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

2) Hedging instruments and hedged items

Hedging instruments

Foreign exchange forward contracts and interest rate swaps are used.

Hedged items

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

3) Hedging policy

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

4) Method for evaluating the effectiveness of hedges

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

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

(7) Amortization of Goodwill

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

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

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

SIGNIFICANT ACCOUNTING ESTIMATES

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

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales of completed construction contracts based on a method that recognizes revenue over a certain period of time	¥370,955 million	¥410,045 million $2,708,181 thousand

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

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

2. Recording of provision for loss on construction contracts

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Provision for loss on construction contracts	¥2,456 million	¥6,396 million $42,245 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

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Goodwill	¥2,475 million	¥2,175 million $14,370 thousand
Customer-related Assets	¥1,771 million	¥1,556 million $10,280 thousand

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

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

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

4. Retirement benefit obligations

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net defined benefit liability	¥21,648 million	¥21,661 million $143,067 thousand
Net defined benefit asset	¥6,527 million	¥14,571 million $96,241 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.

ACCOUNTING STANDARDS NOT YET ADOPTED

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

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

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

(1) Summary

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

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

(2) Scheduled date of application

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

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

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

CHANGE OF THE PRESENTATION METHOD

(Consolidated balance sheets)

"Deposits paid," which was presented as a separate item under "Current assets" in the previous consolidated fiscal year, was ¥0 in the consolidated fiscal year under review and is included in "Other" under "Current assets." To reflect this change in presentation, the classification of items in the consolidated financial statements for the previous consolidated fiscal year has been changed.

As a result, "Deposits paid" of ¥20,000 million and "Other" of ¥7,716 million that were presented under "Current Assets" in the consolidated balance sheets for the previous consolidated fiscal year are presented as "Other" of ¥27,716 million under "Current assets."

(Consolidated statements of income)

Because "Compensation expenses" included in "Other" under "Non-operating expenses" in the previous consolidated fiscal year exceeded 10% of non-operating expenses in the consolidated fiscal year under review , "Compensation expenses" is presented as a separate item. "Condolence money" and "Loss on cancellation of insurance policies," which were presented as separate items under "Non-operating expenses" in the previous consolidated fiscal year, were each 10% or less of non-operating expenses in the consolidated fiscal year under review. They are thus included in "Other" under "Non-operating expenses" in the consolidated fiscal year under review. To reflect these changes in the presentation method, the classification of items in the consolidated financial statements for the previous consolidated fiscal year has been changed.

As a result, "Condolence money" of ¥65 million, "Loss on cancellation of insurance policies" of ¥106 million, and "Other" of ¥224 million presented under "Non-operating expenses" in the Consolidated Statements of Income for the previous consolidated fiscal year are reclassified as "Compensation expenses" of ¥20 million and "Other" of ¥375 million under "Non-operating expenses."

"Impairment losses," which was recorded as a separate item under "Extraordinary loss" in the previous consolidated fiscal year, is included in "Other" under "Extraordinary loss" in the consolidated fiscal year under review because this was 10% or less of "Extraordinary loss." To reflect this change in the presentation method, the classification of items in the consolidated financial statements for the previous consolidated fiscal year has been changed.

As a result, "Impairment losses" of ¥137 million and "Other" of ¥34 million presented under "Extraordinary loss" in the Consolidated Statements of Income for the previous consolidated fiscal year are reclassified as "Other" of ¥171 million under "Extraordinary loss."

NOTES TO CONSOLIDATED BALANCE SHEETS

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Notes receivable	¥ 30,126	**¥ 29,465**	**$194,609**
Accounts receivable from completed construction contracts	125,248	**139,380**	**920,551**
Contract assets	77,556	**82,892**	**547,468**

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Contract liabilities	¥20,957	**¥25,948**	**$171,378**

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Investment securities-equity	¥2,479	**¥2,512**	**$16,596**

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
	2023	**2024**	**2024**
Investment securities-equity	¥11	**¥11**	**$72**
Investments and other assets-long-term loans receivable	5	**4**	**31**

5. Guarantee obligations

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
BAN-BAN Networks Co., Ltd.	¥21	**¥—**	**$—**

6. Reduction entry

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

March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Buildings and structures, machinery and vehicles	¥5,151	**¥5,151**	**$34,021**

7. Commitment line contracts

The Company has concluded commitment line contracts with three 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
	2023	**2024**	**2024**
Total amount of commitment line contracts	¥50,000	**¥35,500**	**$234,462**
Executed loan balance	10,500	**7,500**	**49,534**
Differential amount	39,500	**28,000**	**184,928**

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

1. Revenue generated from contracts with customers

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

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

For the fiscal years ended March 31

Millions of yen		Thousands of U.S. dollars
2023	**2024**	**2024**
¥21	**¥1**	**$9**

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
2023	**2024**	**2024**
¥1,174	**¥5,172**	**$34,160**

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Employees' salaries	¥28,297	**¥29,736**	**$196,395**
Retirement benefit expenses	1,580	**1,515**	**10,011**
Provision of allowance for doubtful accounts	181	**312**	**2,063**

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
2023	**2024**	**2024**
¥671	**¥649**	**$4,291**

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Gain on sale of noncurrent assets	¥63	**¥136**	**$904**
Gain on sale of memberships	19	**15**	**102**

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Buildings and structures	¥ 1	**¥ 76**	**$506**
Machinery and vehicles	13	**14**	**96**
Tools, furniture and fixtures	1	**7**	**52**
Land	48	**37**	**248**
Total	¥63	**¥136**	**$904**

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Loss on sales of noncurrent assets	¥10	**¥22**	**$146**
Loss on valuation of investment securities	15	**33**	**223**
Loss on sales of memberships	2	**—**	**—**
Loss on valuation of memberships	5	**14**	**93**
Impairment losses	137	**2**	**13**

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Buildings and structures	¥ 4	**¥ 6**	**$ 40**
Machinery and vehicles	0	**0**	**0**
Tools, furniture and fixtures	6	**6**	**42**
Land	—	**9**	**63**
Total	¥10	**¥22**	**$146**

10. Impairment loss

For the fiscal years ended March 31, 2023 and 2024, the Group recorded the following impairment losses for asset groups.

For the fiscal year ended March 31, 2023

Application	Location	Type	Millions of yen
Idle assets	Kinki region: 4 properties	Land	¥136
	Other: 2 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, 2024

Application	Location	Type	Millions of yen	Thousands of U.S. dollars
Idle assets	Kinki region: 2 properties	Land	¥1	$12
	Other: 1 property	Land	0	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.

NOTES TO CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification Adjustments and Tax Effects Relating to Other Comprehensive Income

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Valuation difference on available-for-sale securities			
Amount recorded during the period	¥ 609	**¥28,137**	**$185,834**
Reclassification adjustments	(1,956)	**(3,300)**	**(21,800)**
Amount before tax effect adjustments	(1,347)	**24,836**	**164,033**
Tax effect	322	**(7,518)**	**(49,659)**
Valuation difference on available-for-sale securities	(1,024)	**17,317**	**114,374**
Deferred gains or losses on hedges			
Amount recorded during the period	(12)	**12**	**84**
Reclassification adjustments	—	**—**	**—**
Amount before tax effect adjustments	(12)	**12**	**84**
Tax effect	3	**(3)**	**(25)**
Deferred gains or losses on hedges	(8)	**8**	**58**
Foreign currency translation adjustment			
Amount recorded during the period	2,388	**1,158**	**7,653**
Reclassification adjustments	—	**—**	**—**
Foreign currency translation adjustment	2,388	**1,158**	**7,653**
Remeasurements of defined benefit plans, net of tax			
Amount recorded during the period	(1,680)	**7,210**	**47,623**
Reclassification adjustments	451	**198**	**1,308**
Amount before tax effect adjustments	(1,229)	**7,408**	**48,932**
Tax effect	356	**(2,261)**	**(14,935)**
Remeasurements of defined benefit plans, net of tax	(872)	**5,147**	**33,996**
Total other comprehensive income	¥ 482	**¥23,632**	**$156,083**

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the fiscal year ended March 31, 2023

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

	Thousands of shares			
	At April 1, 2022	Increase	Decrease	At March 31, 2023
Stock issued				
Common stock	205,141	—	—	205,141
Total	205,141	—	—	205,141
Treasury stock				
Common stock	196	296	27	465
Total	196	296	27	465

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

2. Matters related to dividends

(1) Dividend payment

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 24, 2022	Common stock	¥3,996 million	¥19.5	March 31, 2022	June 27, 2022
Board of Directors' Meeting on October 31, 2022	Common stock	¥3,791 million	¥18.5	September 30, 2022	November 25, 2022

(2) Dividends with a date of record during the fiscal year ended March 31, 2023 and an effective date during the next fiscal year

Resolution	Class of shares	Total dividends	Source of dividend funds	Dividends per share	Record date	Effective date
General Meeting of Shareholders on June 27, 2023	Common stock	¥4,400 million	Retained earnings	¥21.5	March 31, 2023	June 28, 2023

For the fiscal year ended March 31, 2024

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

	Thousands of shares			
	At April 1, 2023	Increase	Decrease	At March 31, 2024
Stock issued				
Common stock	205,141	—	2,500	202,641
Total	205,141	—	2,500	202,641
Treasury stock				
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 shares of common stock issued resulted from the cancellation of treasury stock by resolution of the Board of Directors. An increase of 3,405 thousand shares in the number of common stock treasury shares resulted from the purchase of 3,404 thousand shares of common treasury stock 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 2,520 thousand shares is the result of a decrease of 2,500 thousand shares due to the cancellation of treasury stock by resolution of the Board of Directors and a decrease of 20 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 27, 2023	Common stock	¥4,400 million $29,063 thousand	¥21.5 $0.14	March 31, 2023	June 28, 2023
Board of Directors' Meeting on October 30, 2023	Common stock	¥4,058 million $26,804 thousand	¥20.0 $0.13	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	Record date	Effective date
General Meeting of Shareholders on June 25, 2024	Common stock	¥8,655 million $57,165 thousand	Retained earnings	¥43.0 $0.28	March 31, 2024	June 26, 2024

NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

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

For the fiscal years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Cash and deposits	¥ 45,361	**¥ 53,014**	**$ 350,138**
Deposits with maturities longer than 3 months	(1,884)	**(2,496)**	**(16,490)**
Short-term investment with maturities within 3 months after the date of acquisition	136,000	**130,000**	**858,595**
Cash and cash equivalents	179,477	**180,517**	**1,192,244**

LEASE TRANSACTIONS

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

FINANCIAL INSTRUMENTS

1. State of Financial Instruments

(1) Policies on financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Market Values of Financial Instruments

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

March 31, 2023

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

March 31, 2024

	Millions of yen		
	Book value	Market value	Difference
(1) Short-term investment 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)
(1) Long-term loans payable	—	—	—
Total liabilities	—	—	—
Derivatives	—	—	—

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

March 31, 2024

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Short-term investment securities and investment securities	$1,881,682	$1,880,022	$(1,659)
(2) Long-term deposits	132,091	132,208	117
Total assets	2,013,773	2,012,231	(1,542)
(1) Long-term loans payable	—	—	—
Total liabilities	—	—	—
Derivatives	—	—	—

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

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Unlisted stocks and others	¥5,401 million	¥5,460 million $36,065 thousand

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

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

March 31, 2023

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

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	251,738	—	—	—
Short-term investment 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, 2024

	Thousands of U.S. dollars			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	$ 350,138	$ —	$ —	$ —
Notes receivable, accounts receivable from completed construction contracts and other	1,662,630	—	—	—
Short-term investment securities and investment securities:				
Held-to-maturity debt securities (Corporate bonds)	85,437	203,421	6,604	—
Held-to-maturity debt securities (Negotiable certificate of deposits)	825,572	—	—	—
Held-to-maturity debt securities (Commercial paper)	33,022	—	—	—
Held-to-maturity debt securities (jointly operated money trusts)	33,022	—	—	—
Deposits paid	—	—	—	—
Long-term deposits	—	132,091	—	—
Total	$2,989,825	$335,512	$6,604	$ —

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

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

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

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

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

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

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

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

For the fiscal years ended March 31, 2023

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

For the fiscal years ended March 31, 2024

	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Available-for-sale securities				
Equity	¥105,126	¥—	¥—	¥105,126
Total assets	105,126	—	—	105,126
Derivatives				
Currency related	—	—	—	—
Total liabilities	¥ —	¥—	¥—	¥ —

For the fiscal years ended March 31, 2024

	Market value (Thousands of U.S. dollars)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Available-for-sale securities				
Equity	$694,314	$—	$—	$694,314
Total assets	694,314	—	—	694,314
Derivatives				
Currency related	—	—	—	—
Total liabilities	$ —	$—	$—	$ —

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

For the fiscal years ended March 31, 2023

	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Held-to-maturity debt securities				
Corporate bonds	¥—	¥ 46,202	¥—	¥ 46,202
Negotiable certificate of deposits	—	136,000	—	136,000
Commercial paper	—	4,999	—	4,999
Jointly operated money trusts	—	—	—	—
Available-for-sale securities				
Other	—	19	—	19
Long-term deposits	—	—	—	—
Total assets	—	187,221	—	187,221
Long-term loans payable	—	25	—	25
Total liabilities	¥—	¥ 25	¥—	¥ 25

For the fiscal years ended March 31, 2024

	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Held-to-maturity debt securities				
Corporate bonds	¥—	¥ 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
Long-term loans payable	—	—	—	—
Total liabilities	¥—	¥ —	¥—	¥ —

For the fiscal years ended March 31, 2024

	Market value (Thousands of U.S. dollars)			
	Level 1	Level 2	Level 3	Total
Short-term investment securities and investment securities				
Held-to-maturity debt securities				
Corporate bonds	$—	$ 294,091	$—	$ 294,091
Negotiable certificate of deposits	—	825,572	—	825,572
Commercial paper	—	33,017	—	33,017
Jointly operated money trusts	—	33,022	—	33,022
Available-for-sale securities				
Other	—	3	—	3
Long-term deposits	—	132,208	—	132,208
Total assets	—	1,317,917	—	1,317,917
Long-term loans payable	—	—	—	—
Total liabilities	$—	$ —	$—	$ —

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

Short-term investment securities and investment securities

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

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

Negotiable certificate of deposits, 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.

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

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

SECURITIES

1. Held-to-Maturity Debt Securities

March 31, 2023

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

March 31, 2024

	Millions of yen		
	Book value	Market value	Difference
(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	125,000	125,000	—
Commercial paper	4,999	4,999	—
Jointly operated money trusts	5,000	5,000	—
Subtotal	173,438	173,168	(269)
Total	¥179,778	¥179,527	¥(251)

March 31, 2024

	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Securities whose market value exceeds the book value			
Corporate bonds	$ 41,877	$ 41,996	$ 119
Subtotal	41,877	41,996	119
(2) Securities whose market value is equal to or lower than the book value			
Corporate bonds	253,873	252,095	(1,778)
Negotiable certificates of deposit	825,572	825,572	—
Commercial paper	33,017	33,017	—
Jointly operated money trusts	33,022	33,022	—
Subtotal	1,145,486	1,143,708	(1,778)
Total	$1,187,364	$1,185,705	$(1,659)

2. Available-for-Sale Securities

March 31, 2023

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

March 31, 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, 2024

	Thousands of U.S. dollars		
	Book value	Acquisition cost	Difference
(1) Securities whose market value exceeds the acquisition cost			
Equity	$693,092	$158,223	$534,869
Subtotal	693,092	158,223	534,869
(2) Securities whose market value is equal to or lower than the acquisition cost			
Equity	1,221	1,475	(254)
Other	3	3	—
Subtotal	1,224	1,479	(254)
Total	$694,317	$159,702	$534,615

3. Available-for-Sale Securities Sold

For the fiscal year ended March 31, 2023

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

For the fiscal year ended March 31, 2024

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

For the fiscal year ended March 31, 2024

	Thousands of U.S. dollars		
	Sold	Total gain on sales	Total loss on sales
Equity	$33,164	$22,122	$—
Other	—	—	—
Total	$33,164	$22,122	$—

4. Impairment Loss on Securities

For the fiscal year ended March 31, 2023

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

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, 2024

During the fiscal year ended March 31, 2024, the Company recognized impairment loss on securities of ¥33 million (US$223 thousand) (¥33 million (US$223 thousand) on excluding stocks without market prices in available- for-sale-securities).

The Group determines impairment loss on the stocks and corporate bonds in question based on “significant decline,” which it defines as a decline of 30% or higher in the market value for stocks and corporate bonds with market prices and a decline of 30% or higher in 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, 2023

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

For the fiscal years ended March 31, 2024

Not applicable.

RETIREMENT BENEFITS

1. Outline of the Adopted Retirement Benefit Plan

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

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

2. Defined Benefit Plan

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

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Opening balance of projected benefit obligations	¥94,601	¥94,622	$624,943
Service cost	3,987	3,876	25,602
Interest cost	274	273	1,806
Actuarial loss	480	(884)	(5,839)
Retirement benefits provided	(4,720)	(4,562)	(30,133)
Closing balance of projected benefit obligations	¥94,622	¥93,326	$616,379

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

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

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Opening balance of plan assets	¥80,630	¥79,502	$525,078
Expected return on plan assets	1,603	1,581	10,445
Actuarial gain	(1,199)	6,326	41,783
Contribution of employer	1,806	1,813	11,976
Retirement benefits paid	(3,338)	(2,987)	(19,729)
Closing balance of plan assets.	¥79,502	¥86,236	$569,553

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

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Projected benefit obligations, funded plan	¥ 73,145	¥ 71,845	$ 474,508
Plan assets	(79,502)	(86,236)	(569,553)
	(6,356)	(14,390)	(95,045)
Projected benefit obligations, unfunded plan	21,477	21,480	141,871
Net amount of liabilities and assets recorded on the balance sheet	15,120	7,089	46,825
Net defined benefit liability	21,648	21,661	143,067
Net defined benefit asset	(6,527)	(14,571)	(96,241)
Net amount of liabilities and assets recorded on the balance sheet	¥ 15,120	¥ 7,089	$ 46,825

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

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Service cost*1	¥ 3,987	¥ 3,876	$ 25,602
Interest cost	274	273	1,806
Expected return on plan assets	(1,603)	(1,581)	(10,445)
Amortization value of actuarial loss	1,474	1,221	8,070
Amortization value of prior service cost	(1,023)	(1,023)	(6,761)
Retirement benefit expenses related to defined benefit plans	¥ 3,109	¥ 2,766	$ 18,272

*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
	2023	2024	2024
Prior service cost	¥1,023	¥ 1,023	$ 6,761
Actuarial gains and losses	205	(8,432)	(55,693)
Total	¥1,229	¥(7,408)	$(48,932)

(6) Remeasurements of defined benefit plans

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

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Unrecognized prior service cost	¥(8,017)	**¥(6,993)**	**$(46,187)**
Unrecognized actuarial loss	5,880	**(2,552)**	**(16,857)**
Total	¥(2,136)	**¥(9,545)**	**$(63,045)**

(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:

	2023	**2024**
Domestic bonds	40%	**36%**
Domestic equities	13	**17**
Foreign bonds	6	**7**
Foreign equities	14	**16**
Insurance assets (General account)	25	**23**
Cash and deposits	0	**0**
Others	1	**1**
Total	100%	**100%**

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

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

(8) Items concerning actuary calculation bases

Main actuary calculation bases for the current fiscal year

	2023	**2024**
Discount rate	0.29%, 0.8%	**0.29%, 0.8%**
Long-term expected rate of return	2.0%, 1.2%	**2.0%, 1.2%**

3. Defined contribution plan

The required amount of contribution to the Company's defined contribution plan is ¥1,450 million in the previous consolidated fiscal year.

The required amount of contribution to the Company's defined contribution plan is ¥1,454 million (US$9,604 thousand) in the current consolidated fiscal year.

REGARDING STOCK OPTIONS, ETC.

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

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Selling, general and administrative (SG & A) expenses	¥31 million	¥39 million $262 thousand

2. Details of restricted stock compensation

	Granted on July 22, 2022	Granted on July 26, 2023
Classification and number of Eligible Persons	Company Directors (excluding Outside Directors) 9 persons	Company Directors (excluding Outside Directors) 9 persons
Number of shares granted	the Company's common stock: 27,498 shares	the Company's common stock: 20,233 shares
Grant date	July 22, 2022	July 26, 2023
Transfer restriction period	The period from July 22, 2022 (hereinafter referred to as the Disposition Date) to the time immediately after retiring from any of the positions of Director, Audit & Supervisory Board Member, or Executive Officer not concurrently serving as a Director of the Company.	The period from July 26, 2023 (hereinafter referred to as the Disposition Date) to the time immediately after retiring from any of the positions of Director, Audit & Supervisory Board Member, or Executive Officer not concurrently serving as a Director of the Company.
Fair value unit price on grant date	¥1,514	¥1,936 $12

Release of restrictions

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

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

1) Timing of release of transfer restrictions

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

2) Number of shares subject to release of transfer restrictions

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

(2) Acquisition without Compensation by the Company

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

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

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

3. Number of restricted stock awards

	Granted on July 22, 2022	Granted on July 26, 2023
End of previous consolidated fiscal year	27,498	—
Grant	—	20,233
Acquire without compensation	—	—
Release of transfer restrictions	13,690	—
Restricted transfer balance	13,808	20,233

4. Method for estimating a fair appraisal unit price

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

DEFERRED TAX ACCOUNTING

1. Principal Components of Deferred Tax Assets and Liabilities

March 31

	Millions of yen		Thousands of U.S. dollars
	2023	**2024**	**2024**
Deferred tax assets:			
Allowance for doubtful accounts	¥ 177	¥ **166**	$ **1,100**
Accrued expenses	4,648	**5,069**	**33,479**
Accrued enterprise tax	948	**1,075**	**7,104**
Net defined benefit liability	4,904	**4,684**	**30,937**
Loss on valuation of investment securities	993	**986**	**6,514**
Loss on valuation of memberships	354	**351**	**2,319**
Impairment loss	468	**381**	**2,517**
Provision for loss on construction contracts	751	**1,957**	**12,927**
Unrealized gains	615	**567**	**3,745**
Others	1,384	**1,339**	**8,843**
Subtotal of deferred tax assets	15,247	**16,577**	**109,490**
Valuation allowance	(2,406)	**(2,232)**	**(14,747)**
Total deferred tax assets	12,841	**14,345**	**94,743**
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(16,316)	**(23,834)**	**(157,415)**
Remeasurements of defined benefit plans	(668)	**(2,930)**	**(19,352)**
Others	(1,064)	**(1,030)**	**(6,806)**
Total deferred tax liabilities	(18,049)	**(27,795)**	**(183,574)**
Net defended tax liabilities	¥ (5,208)	**¥(13,449)**	**$ (88,831)**

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

	2023	**2024**
Effective statutory tax rate	30.6%	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.
(Adjustments)		
Permanently non-deductible items	1.6	
Permanently non-taxable items	(0.3)	
Increase/decrease in valuation allowance	0.0	
Other	1.1	
Corporate tax, etc., overage ratio after application of tax effect accounting	33.0	

ASSET RETIREMENT OBLIGATION

For the fiscal years ended March 31, 2023 and 2024

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

INVESTMENT AND RENTAL PROPERTIES

For the fiscal years ended March 31, 2023 and 2024

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

REVENUE RECOGNITION

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

For the fiscal year ended March 31, 2023

	Millions of yen
Goods or services transferred over a period of time	¥370,955
Goods or services transferred at a point in time	238,177
Revenue from contracts with customers	609,132
Other revenue	—
Sales to external customers	¥609,132

For the fiscal year ended March 31, 2024

	Millions of yen	Thousands of U.S. dollars
Goods or services transferred over a period of time	¥410,045	$2,708,181
Goods or services transferred at a point in time	244,470	1,614,627
Revenue from contracts with customers	654,516	4,322,808
Other revenue	—	—
Sales to external customers	¥654,516	$4,322,808

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, 2023

	Millions of yen
Trade receivables arising from contracts with customers (balance at start of term)	¥138,048
Trade receivables arising from contracts with customers (balance at end of term)	155,374
Contract assets (balance at start of term)	70,252
Contract assets (balance at end of term)	77,556
Contract liabilities (balance at start of term)	11,008
Contract liabilities (balance at end of term)	¥ 20,957

For the fiscal year ended March 31, 2024

	Millions of yen	Thousands of U.S. dollars
Trade receivables arising from contracts with customers (balance at start of term)	¥155,374	$1,026,186
Trade receivables arising from contracts with customers (balance at end of term)	168,846	1,115,161
Contract assets (balance at start of term)	77,556	512,225
Contract assets (balance at end of term)	82,892	547,468
Contract liabilities (balance at start of term)	20,957	138,417
Contract liabilities (balance at end of term)	¥ 25,948	$ 171,378

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 ¥7,303 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 ¥9,949 million in the previous consolidated fiscal year are an increase due to the receipt of advances received on uncompleted construction contracts and a decrease due to the fulfillment of performance obligations.

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 ¥9,593 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 ¥5,336 million (US$35,243 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 ¥4,990 million (US$32,961 thousand) in the current consolidated fiscal year are an increase due to the receipt of advances received on uncompleted construction contracts and a decrease due to the fulfillment of performance obligations.

Of the revenue recognized in the current consolidated fiscal year, the amount included in the contract liability balance as of the beginning of the fiscal year is ¥19,392 million (US$128,080 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 ¥531,296 million. The remaining performance obligations are mainly related to construction contracts and revenue is expected to be recognized for up to a maximum of five years depending on the progress of construction.

The total transaction amount allocated to the remaining performance obligations at the end of the current consolidated fiscal year is ¥549,753 million (US$3,630,891 thousand). The remaining performance obligations are mainly related to construction contracts and revenue is expected to be recognized for up to a maximum of five years depending on the progress of the construction.

SEGMENT INFORMATION

Segment Information

For the fiscal years ended March 31, 2023 and 2024

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, 2023

(1) Information by products and services

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

(2) Information by geographical region

(a) Net sales

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

(b) Property, plant and equipment

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

(3) Information for main customers

	Net sales	
Customer name	Millions of yen	Related segment
The Kansai Electric Power Company, Incorporated	¥79,690	Facility Construction Business

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

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	Thousands of U.S. dollars	Related segment
The Kansai Electric Power Company, Incorporated	¥83,222	$549,651	Facility Construction Business

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

Information about Impairment Loss on Noncurrent Assets for Each Reporting Segment

For the fiscal years ended March 31, 2023 and 2024

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, 2023 and 2024

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, 2023 and 2024

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, 2023

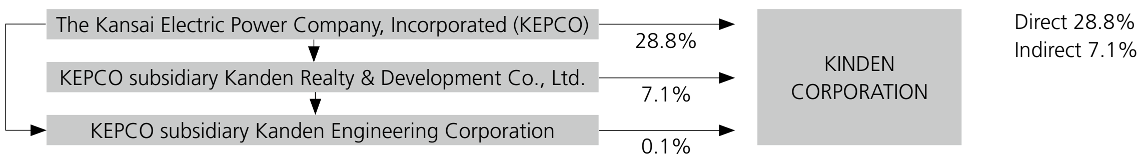
<table>
<tr><th>Type of transaction</th><th>Name of company or individual (address)</th><th>Capital stock or investment</th><th>Description of business or position</th><th>Percentage of voting rights held</th><th colspan="2">Transactions between related parties</th></tr>
<tr><td rowspan="5">Other affiliates</td><td rowspan="5">The Kansai Electric Power Company, Incorporated (Kita-ku, Osaka)</td><td>¥489,320 million</td><td>Electric power business</td><td>(Held)
Direct Indirect
28.8% 7.1%
[See Figure 1]</td><td colspan="2">Receipt of orders for power generation construction, etc.</td></tr>
<tr><td colspan="2">Description of transaction</td><td>Amount of transaction</td><td>Account</td><td>Balance at the end of the fiscal year</td></tr>
<tr><td rowspan="2">Operating transactions</td><td rowspan="2">Electrical projects orders</td><td rowspan="2">¥1,593 million</td><td>Accounts receivable from completed construction contracts</td><td>¥1,330 million</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥3 million</td></tr>
<tr><td colspan="2">Deposit of assets</td><td>—</td><td>Deposits</td><td>¥20,000 million</td></tr>
</table>

(Note 1) Terms of transactions and policy for determining terms of transactions, etc.
With regard to orders for electrical construction, the Company concludes construction service contracts at appropriate prices considering market prices and other factors, after negotiating costs, including on materials purchases and other factors.

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

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

Figure 1



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

For the fiscal year ended March 31, 2024

<table>
<tr><th>Type of transaction</th><th>Name of company or individual (address)</th><th>Capital stock or investment</th><th>Description of business or position</th><th>Percentage of voting rights held</th><th colspan="2">Transactions between related parties</th></tr>
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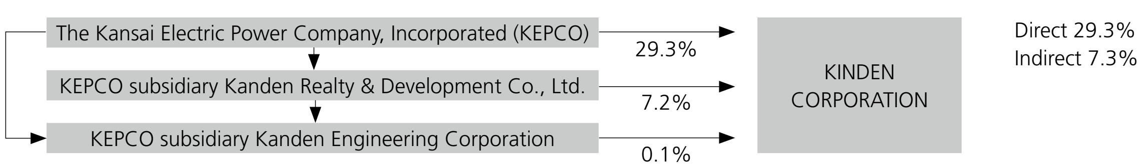
$3,231,759 thousand</td><td>Electric power business</td><td>(Held)
Direct Indirect
29.3% 7.3%
[See Figure 1]</td><td colspan="2">Receipt of orders for power generation construction, etc.</td></tr>
<tr><td colspan="2">Description of transaction</td><td>Amount of transaction</td><td>Account</td><td>Balance at the end of the fiscal year</td></tr>
<tr><td rowspan="2">Operating transactions</td><td rowspan="2">Electrical projects orders</td><td rowspan="2">¥2,087 million
$13,785 thousand</td><td>Accounts receivable from completed construction contracts</td><td>¥1,692 million
$11,176 thousand</td></tr>
<tr><td>Advances received on uncompleted construction contracts</td><td>¥8 million
$55 thousand</td></tr>
<tr><td colspan="2">Deposit of assets</td><td>—</td><td>Deposits</td><td>¥20,000 million
$132,091 thousand</td></tr>
</table>

(Note 1) Terms of transactions and policy for determining terms of transactions, etc.
With regard to orders for electrical construction, the Company concludes construction service contracts at appropriate prices considering market prices and other factors, after negotiating costs, including on materials purchases and other factors.

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

(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.

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, 2023

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

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

For the fiscal year ended March 31, 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	
Subsidiaries of other affiliates	Kansai Transmission and Distribution, Inc. (Kita-ku, Osaka)	¥40,000 million $264,183 thousand	General power transmission and distribution business	—	Receipt of orders for power distribution lining and transmission line construction, etc.	
		Description of transaction		Amount of transaction	Account	Balance at the end of the period
		Operating transactions	Electrical projects orders	¥79,455 million $524,768 thousand	Accounts receivable from completed construction contracts	¥11,414 million $75,387 thousand
					Advances received on uncompleted construction contracts	¥418 million $2,762 thousand

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

2. Notes Concerning the Parent Company or Important Affiliates

Not applicable.

AMOUNTS PER COMMON SHARE

For the fiscal years ended March 31

	Yen 2023	Yen 2024	U.S. dollars 2024
Net assets per common share	¥2,598.73	**¥2,848.11**	**$18.81**
Profit attributable to owners of parent per common share	¥ 140.15	**¥ 165.34**	**$ 1.09**

(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 2023	Millions of yen 2024	Thousands of U.S. dollars 2024
Profit attributable to owners of parent	¥28,722	**¥33,553**	**$221,607**
Amount not attributable to ordinary shareholders	—	—	—
Profit attributable to owners of parent applicable to common stock	¥28,722	**¥33,553**	**$221,607**

	Thousands of shares 2023	Thousands of shares 2024
Average number of common stock outstanding for each period	204,940	**202,932**

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

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Total net assets	¥532,713	**¥574,053**	**$3,791,381**
Amounts deducted from total net assets	816	**757**	**5,001**
Non-controlling interests	816	**757**	**5,001**
Total net assets related to common stock	¥531,897	**¥573,295**	**$3,786,380**

	Thousands of shares	
	2023	2024
Number of common stock used to calculate net assets per share	204,675	**201,290**

SUBSEQUENT EVENTS

Not applicable.

CONSOLIDATED SUPPLEMENTAL SCHEDULES

Schedule of Corporate Bonds

Not applicable.

Schedule of Outstanding Loans, etc.

	At April 1, 2023	At March 31, 2024	Average rate	Due date
Short-term loans payable	¥15,070 million	¥15,020 million $99,200 thousand	0.658%	—
Current portion of long-term loans payable	¥25 million	—	—	—
Current portion of lease obligations	¥50 million	¥63 million $416 thousand	—	—
Long-term loans payable (Excluding current portion of long-term loans payable)	—	—	—	—
Lease obligations (Excluding current portion of lease obligations)	¥189 million	¥205 million $1,358 thousand	—	From 2025 to 2030
Other interest-bearing debt	—	—	—	—
Total	¥15,335 million	¥15,288 million $100,975 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	¥103 million $684 thousand	¥70 million $464 thousand	¥26 million $173 thousand	¥4 million $29 thousand

Schedule of Asset Retirement Obligations

Not applicable.

OTHERS

Quarterly Information for the Fiscal Year ended March 31, 2024

(Cumulative period)	One quarter	Two quarters	Three quarters	Full year
Net sales	¥112,798 million $744,987 thousand	¥270,670 million $1,787,667 thousand	¥427,112 million $2,820,897 thousand	¥654,516 million $4,322,808 thousand
Profit before income taxes	¥2,352 million $15,539 thousand	¥11,655 million $76,978 thousand	¥26,471 million $174,833 thousand	¥49,062 million $324,036 thousand
Profit attributable to owners of parent	¥1,125 million $7,433 thousand	¥7,497 million $49,514 thousand	¥17,585 million $116,146 thousand	¥33,553 million $221,607 thousand
Profit attributable to owners of parent per common share	¥5.51 $0.03	¥36.80 $0.24	¥86.49 $0.57	¥165.34 $1.09

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Profit attributable to owners of parent per common share	¥5.51 $0.03	¥31.34 $0.20	¥49.81 $0.32	¥79.15 $0.52

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, 2024, 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, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Key Audit Matters

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

<table>
<tr><th colspan="2">Recording sales of completed construction contracts and cost of completed construction contracts based on a method that recognizes revenue over a certain period of time</th></tr>
<tr><th>Description of Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>As described in 5. Summary of Significant Accounting Policies (5) Recognition of Revenues and Costs of Construction Contracts and (Significant accounting estimates) 1. Net sales of completed construction contracts using a method that recognizes revenue over a certain time period, Kinden Corporation and its consolidated subsidiaries apply a method (the input method that estimates the degree of progress based on costs) that recognizes revenue over a certain period of time based on progress for performance obligations that are satisfied over a certain period of time if the progress of the performance obligation can be reasonably estimated. Sales of completed construction contracts recorded based on this method that recognizes revenue over a certain period of time in the current consolidated fiscal year in KINDEN CORPORATION, the parent company was ¥345,994 million, accounting for 52.8% of the total amount of consolidated sales of completed construction contracts.

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

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

1) Evaluation of internal control
We evaluated the design and operational 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 units of recognition for construction revenue to ascertain the details of the contract and evaluate the reasonableness of the estimate of total construction revenue.

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

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

Therefore, 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	Auditor's Response
As detailed in 5. Summary of Significant Accounting Policies (3) Accounting Basis for Allowances and (Significant Accounting Estimates) 2. Recording of Provision for Loss on Construction Contracts, to prepare for future losses on construction orders, Kinden Corporation and its consolidated subsidiaries record the expected amount of loss for work on hand at the end of the current consolidated fiscal year that is expected to incur losses and for which the amount can be reasonably estimated. The amount recorded for provision for loss on construction contracts at the end of the current consolidated fiscal year was 6,396 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.	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 units of recognition for construction revenue to ascertain the details of the contract and evaluate the reasonableness of the estimate of total construction revenue. For units of recognition of construction revenue derived by using a certain standard, we performed checks with the contract and we read circulated documents and questioned the appropriate person in charge for construction work. Regarding important construction work near the end of the fiscal term, we implemented on-site inspections and confirmed the existence of the construction project and the suitability of the construction management status.

	3) Evaluation of the reasonableness of the estimate of total construction costs We performed audit procedures that include the following to evaluate the reasonableness of the estimate of total construction costs. We compared the latest execution budget with the execution budget prior to the changes and evaluated details of differences and verified whether changes in the environment 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 concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide Audit & Supervisory Board and its members with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that 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 25, 2024

Hironori Okada
Representative Partner
Engagement Partner
Certified Public Accountant   Hironori Okada

Akihiro Hosoya
Partner
Engagement Partner
Certified Public Accountant   Akihiro Hosoya.

Non-Consolidated Statements of Income

KINDEN CORPORATION
For the fiscal years ended March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Net sales of completed construction contracts	¥524,233	¥559,954	$3,698,265
Cost of sales of completed construction contracts	441,447	472,291	3,119,290
Gross profit on completed construction contracts	82,785	87,662	578,974
Selling, general and administrative expenses	50,375	53,139	350,963
Operating income	32,410	34,523	228,010
Non-operating income:			
Interest income	130	155	1,026
Interest on securities	159	188	1,242
Dividends income	4,160	4,272	28,215
Foreign exchange gains	417	664	4,386
Other	251	393	2,598
Total non-operating income	5,119	5,673	37,469
Non-operating expenses:			
Interest expenses	146	106	701
Compensation expenses	19	91	605
Dismantlement cost	70	179	1,184
Other	168	269	1,778
Total non-operating expenses	404	646	4,270
Ordinary income	37,125	39,549	261,210
Extraordinary income:			
Gain on sales of investment securities	2,812	3,345	22,093
Other	74	61	405
Total extraordinary income	2,886	3,406	22,499
Extraordinary loss:			
Loss on retirement of noncurrent assets	240	208	1,378
Loss on valuation of investment securities	6	33	223
Other	147	30	199
Total extraordinary losses	394	272	1,802
Profit before income taxes	39,616	42,683	281,907
Income taxes:			
Income taxes-current	11,838	14,572	96,245
Income taxes-deferred	105	(1,666)	(11,009)
Total income taxes	11,943	12,905	85,235
Profit	¥ 27,672	¥ 29,778	$ 196,671

	Yen		U.S. dollars
	2023	2024	2024
Amounts per common share:			
Profit	¥135.03	¥146.74	$0.96
Cash dividends	40.00	63.00	0.41

Non-Consolidated Balance Sheets

KINDEN CORPORATION
March 31, 2023 and 2024

ASSETS	Millions of yen 2023	Millions of yen 2024	Thousands of U.S. dollars 2024
CURRENT ASSETS:			
Cash and deposits	¥ 15,553	¥ 19,947	$ 131,745
Notes receivable-trade	1,689	779	5,148
Electronically recorded monetary claims	25,184	26,507	175,073
Accounts receivable from completed construction contracts	169,983	180,397	1,191,451
Short-term investment securities	152,702	147,906	976,864
Costs on uncompleted construction contracts	16,706	15,764	104,117
Raw materials and supplies	1,586	1,923	12,705
Other	24,708	8,335	55,053
Allowance for doubtful accounts	(402)	(360)	(2,381)
Total current assets	407,712	401,202	2,649,776
NONCURRENT ASSETS:			
PROPERTY, PLANT AND EQUIPMENT:			
Buildings	82,356	84,750	559,739
Accumulated depreciation	(58,106)	(58,527)	(386,547)
Buildings, net	24,249	26,223	173,192
Structures	6,106	6,076	40,132
Accumulated depreciation	(5,235)	(5,142)	(33,966)
Structures, net	870	933	6,166
Machinery and equipment	2,704	2,785	18,397
Accumulated depreciation	(2,217)	(2,334)	(15,421)
Machinery and equipment, net	487	450	2,976
Vehicles	23,047	24,093	159,126
Accumulated depreciation	(18,641)	(19,921)	(131,572)
Vehicles, net	4,406	4,171	27,553
Tools, furniture and fixtures	9,648	9,791	64,670
Accumulated depreciation	(8,416)	(8,563)	(56,556)
Tools, furniture and fixtures, net	1,231	1,228	8,113
Land	56,109	56,000	369,857
Construction in progress	24,297	43,688	288,544
Total property, plant and equipment	111,652	132,696	876,404
INTANGIBLE ASSETS:			
Leasehold right	116	116	767
Telephone subscription right	136	136	899
Software	2,829	2,990	19,752
Total intangible assets	3,081	3,243	21,419
INVESTMENTS AND OTHER ASSETS:			
Investment securities	115,039	133,938	884,610
Stocks of subsidiaries and associates	15,684	16,446	108,619
Investments in capital of subsidiaries and associates	3,151	3,151	20,811
Long-term loans receivable	105	104	691
Long-term loans receivable from subsidiaries and associates	8,005	6,287	41,526
Long-term prepaid expenses	101	114	757
Prepaid pension cost	2,696	3,579	23,639
Other	3,285	23,209	153,288
Allowance for doubtful accounts	(807)	(784)	(5,178)
Total investments and other assets	147,262	186,047	1,228,767
Total noncurrent assets	261,996	321,987	2,126,591
Total assets	¥669,708	¥723,189	$4,776,368

LIABILITIES AND NET ASSETS	Millions of yen 2023	Millions of yen 2024	Thousands of U.S. dollars 2024
CURRENT LIABILITIES:			
Notes payable-trade	¥ 962	¥ 1,129	$ 7,459
Accounts payable for construction contracts	78,108	88,294	583,150
Short-term loans payable	14,270	14,170	93,586
Accounts payable-other	11,091	9,972	65,862
Accrued expenses	13,396	14,762	97,498
Income taxes payable	11,068	13,168	86,974
Advances received on uncompleted construction contracts	14,147	16,301	107,666
Provision for loss on construction contracts	2,455	6,396	42,245
Provision for warranties for completed construction	258	308	2,034
Provision for directors' bonuses	73	78	515
Other	10,611	8,557	56,521
Total current liabilities	156,444	173,139	1,143,515
NONCURRENT LIABILITIES:			
Deferred tax liabilities	4,973	10,797	71,313
Provision for retirement benefits	17,310	17,446	115,224
Other	1,140	1,100	7,267
Total noncurrent liabilities	23,424	29,344	193,805
Total liabilities	179,868	202,483	1,337,321
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Capital stock			
Authorized: 600,000,000 shares			
Issued: 202,641,080 shares (2024)	26,411	26,411	174,436
Capital surplus	29,657	29,657	195,873
Retained earnings	395,647	411,898	2,720,418
Treasury stock	(731)	(2,925)	(19,322)
Total shareholders' equity	450,984	465,041	3,071,406
VALUATION AND TRANSLATION ADJUSTMENTS:			
Valuation difference on available-for-sale securities	38,864	55,664	367,640
Deferred gains or losses on hedges	(8)	—	—
Total valuation and translation adjustments	38,855	55,664	367,640
Total net assets	489,839	520,706	3,439,047
Total liabilities and net assets	¥669,708	¥723,189	$4,776,368

Board of Directors and Audit & Supervisory Board Members

As of June 25, 2024

Chairman:	Yoshihiro Doi
President:	Takao Uesaka
Vice President:	Hiroyuki Hayashi
Directors:	Hiroshi Nishimura *1
	Moriyoshi Sato *1
	Takashi Fukuda *2
	Koji Izaki *2
	Masanori Horikiri *2
	Kenji Yoshimasu *2
	Yasuhiro Yamashita *2
	Hanroku Toriyama *3*5
	Keiji Takamatsu *3*5
	Keizo Morikawa *3*5
	Kazunobu Sagara *3*5
	Haruko Kokue *3*5
	Fumi Musashi *3*5
Permanent Audit & Supervisory Board Member:	Kazuaki Nishikiori
Audit & Supervisory Board Members:	Hideo Tanaka
	Masami Yoshioka *4*5
	Toshimitsu Kamakura *4*5
	Isamu Osa *4*5

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

Corporate Data

Name:	KINDEN CORPORATION
Date of establishment:	August 26, 1944
Head Office (Osaka):	2-3-41, Honjo-Higashi, Kita-ku, Osaka 531-8550, Japan
Tokyo Head Office:	2-1-21, Kudan-Minami, Chiyoda-ku, Tokyo 102-8628, Japan
Research center:	Kyoto Institute: Kizugawa, Kyoto Prefecture, Japan
Training centers:	Kinden Gakuen: Nishinomiya, Hyogo Prefecture, Japan Human Resources Development Center: Inzai, Chiba Prefecture, Japan
Capital:	¥26,411,487,018 (As of March 31, 2024)
Construction business license:	Construction License of the Ministry of Land, Infrastructure, Transport and Tourism Special Construction License (3), No.114 (15 business categories)
Employees:	8,493 (As of March 31, 2024)
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, 2024

OVERSEAS OFFICES

Singapore Office

Guam Office

Yangon Office (Myanmar)

Saipan Office

Dubai Office (United Arab Emirates)

OVERSEAS AFFILIATE COMPANIES

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

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

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

Kinden Phils. Corporation
5FL ODC International Plaza, 219 Salcedo St., Legaspi Village, Makati City, Philippines

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

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

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

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

DOMESTIC NETWORK

Head Office (Osaka)

Tokyo Head Office

Kyoto Institute

Kinden Gakuen 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, Youkaichi

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

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

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

Osaka Branch Office

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

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

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

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

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

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

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

DOMESTIC AFFILIATE COMPANIES

Kinden Shoji Company, Limited

Nishihara Engineering Co., Ltd.

FEN Co., Ltd

Kinden Tokyo Services Company, Incorporated

Kinden Chubu Services Company, Incorporated

Kinden Kansai Services Company, Incorporated

Kinden Nishinihon Services Company, Incorporated

Daito Denki Kouji Co., Ltd.

Kinden Services Company, Incorporated

KINDENSPINET CORPORATION

Shirama Wind Farm Co., Ltd.

Shiratakiyama Wind Farm Co., Ltd.

Nishihara Construction Co., Ltd.

KINKA Corporation

KINDEN CORPORATION

HEAD OFFICE (OSAKA)
2-3-41, Honjo-Higashi, Kita-ku, Osaka 531-8550, Japan

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

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

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