

# TERASAKI REPORT

1 April 2022 – 31 March 2023

**TERASAKI ELECTRIC CO., LTD.**

Securities code 6637



## Financial Highlights

### Net sales

**44,253** million JPY  
 Up 16.9% year on year

### Operating profit

**2,868** million JPY  
 Up 75.2% year on year

### Ordinary profit

**3,479** million JPY  
 Up 79.0% year on year

### Profit attributable to TERASAKI shareholders

**2,345** million JPY  
 Up 83.8% year on year

## Outlook for Financial Year 2023

(Ended 31 March, 2024)

### Net sales

**46,990** million JPY  
 Up 6.2% year on year

### Operating profit

**2,260** million JPY  
 Down 21.2% year on year

### Ordinary profit

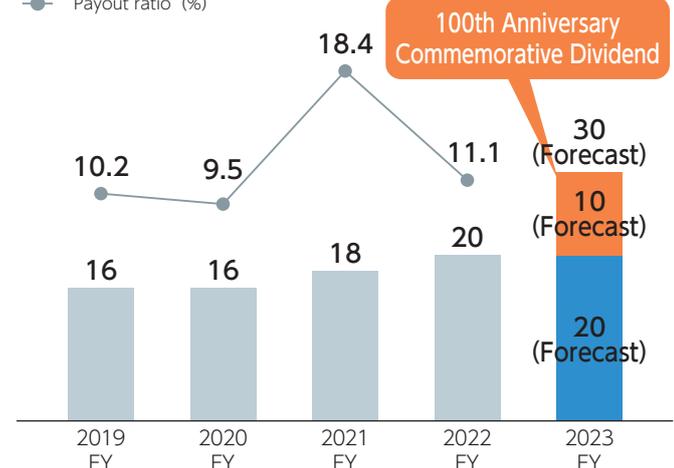
**2,450** million JPY  
 Down 29.6% year on year

### Profit attributable to TERASAKI shareholders

**1,700** million JPY  
 Down 27.5% year on year

## Dividends/Payout ratio

■ Dividends per share (JPY)  
 ● Payout ratio (%)



«Exchange rate assumptions»

125yen/US\$, 130yen/EURO, 155yen/£, 85yen/A\$

# President's Message

We would like to express our sincere gratitude to our shareholders for continued support.

Capital investments remained strong both in Japan and overseas, except for some countries. In the shipbuilding industry, being one of our major markets, the demand for LNG carriers and next-generation ships intended to help bring about the decarbonization of vessels for marine transportation has increased. As a result, the order backlog has remained high, though the new shipbuilding orders have been generally weak. On the other hand, supply constraints mainly on semiconductors and resin products and soaring prices of raw materials, logistics costs, and energy prices continued to cause impact on our production costs. In addition, the Japanese Yen has weakened more than expected in the foreign exchange market. This resulted in an upward revision of our earnings outlook, including review of the exchange rate assumptions.

Under these circumstances, for the consolidated financial year ended 31 March, 2023, net sales rose year on year due to increased sales of Circuit Breakers in Japan, Europe, and Malaysia. It is also coupled with Marine Systems sales increase, mainly for container ships and high-voltage shore connection systems, though there was a decline in Industrial Systems sales. As a result, operating profit increased and ordinary profit as well as profit attributable to TERASAKI shareholders also increased. These were due to interest income, gain on valuation of derivatives and foreign exchange gains.

Although the COVID-19 pandemic is becoming to be under control, the prolonged situation in Ukraine and heightened geopolitical risks, such as the confrontation between the U.S. and China, have caused increase in



Representative Director  
President Executive Officer  
**Taizo Terasaki**

uncertainties about the future. We shall continue to strive to manage our business in a flexible manner so we can provide our products stably under these changing circumstances.

On 1 October, 2023, we will celebrate the 100th anniversary of our founding. We shall maintain our missions as follows:

(1) Contribute to society by offering safety, security and comfort to all our customers with world-class products and services that we develop, manufacture and provide.

(2) Achieve the highest level of electric power distribution and control systems technology.

With these two unwavering missions, we shall strive to respond swiftly and effectively to customers' needs by applying the flexible manufacturing and services utilizing the TEAM TERASAKI network.

We earnestly request our shareholders and partners for continued support as we pursue these challenges.

June 2023



## Marine Systems

Pursuing business challenges as a leading international manufacturer of electric power distribution and control systems in the marine market



## Industrial Systems

Demonstrating originality in the industrial market with our electric power distribution and control systems



## Circuit Breakers

Achieving and maintaining as the most trusted circuit breakers manufacturer in the world



## Medical Devices

Contributing to human health and safety as a manufacturer of medical devices



## Engineering & Lifecycle Services

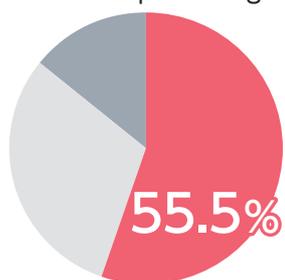
Offering solutions to customers all over the world through the engineering and lifecycle services

**TERASAKI in constant pursuit of innovative electric power distribution and control systems**

# Segment Performance by Region and Product

## Japan

Net sales percentage



Net sales ▶ **24,553 million JPY** (Up 11.6% year on year)

Segment profit ▶ **2,332 million JPY** (Up 15.4% year on year)

- ▶ **Marine Systems**

Sales significantly increased for products supplied for container ships and for TERASAKI Shore Connection — high-voltage shore connection systems.
- ▶ **Industrial Systems**

There was a decline in sales for projects involving plants in Japan and overseas markets.
- ▶ **Medical Devices**

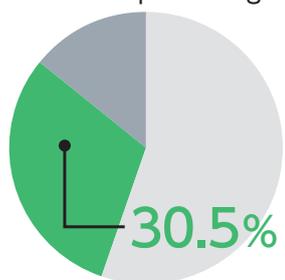
Market demands in Japan increased though overseas new capital investments were sluggish.
- ▶ **Engineering & Lifecycle Services**

Sales slightly increased due to engineering services for domestic railway-related facilities, though there was a decline in sales for projects that are required to meet the regulations to promote conservation of marine environments and for engineering services related to industrial systems.
- ▶ **Circuit Breakers**

Sales in Japan increased due to favorable sales increase in capital investment and the marine market. Overseas sales decreased in West Asia and Oceania.

## Asia

Net sales percentage



Net sales ▶ **13,512 million JPY** (Up 26.4% year on year)

Segment profit ▶ **985 million JPY** (Up 614.0% year on year)

There was a substantial increase in profit in this segment due to our efforts to reduce expenses and the favorable increase in sales.

- ▶ **Marine Systems**

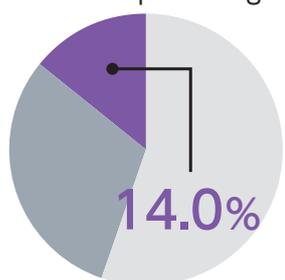
Sales increased year on year.
- ▶ **Engineering & Lifecycle Services**

Sales increased for services related to ship inspections and repairs.
- ▶ **Circuit Breakers**

Sales significantly increased as it was supported by the strong demand in Malaysia.

## Europe

Net sales percentage



Net sales ▶ **6,188 million JPY** (Up 19.8% year on year)

Segment profit ▶ **438 million JPY** (Up 80.0% year on year)

- ▶ **Circuit Breakers**

Sales remained solid in Europe, the U.K., and the Middle East.
- ▶ **Engineering & Lifecycle Services**

Sales related to circuit breakers replacement increased.

## By Product Group

### System Products

Net sales **22,935 million JPY**  
(Up 11.8% year on year)

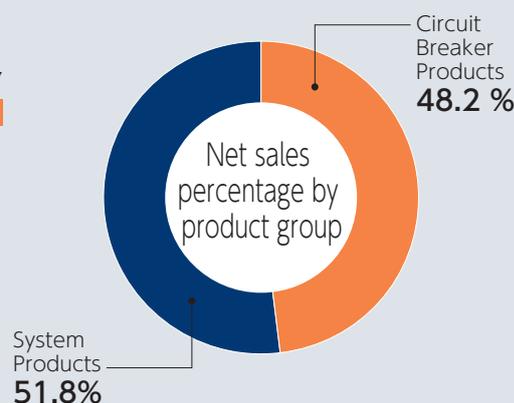
Orders received **31,451 million JPY**  
(Up 19.1% year on year)

Order backlog **31,629 million JPY**  
(Up 8,515 million JPY from the   
end of FY2021)

### Circuit Breaker Products

Net sales **21,317 million JPY**  
(Up 22.9% year on year)

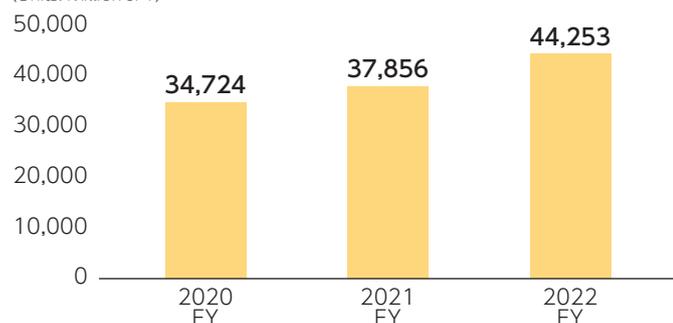
(Note) We do not disclose orders received or order backlog for Circuit breaker products because they are manufactured in accordance with our planned production schedule.



# Consolidated Financial Highlights

## Net sales

(Units: Million JPY)



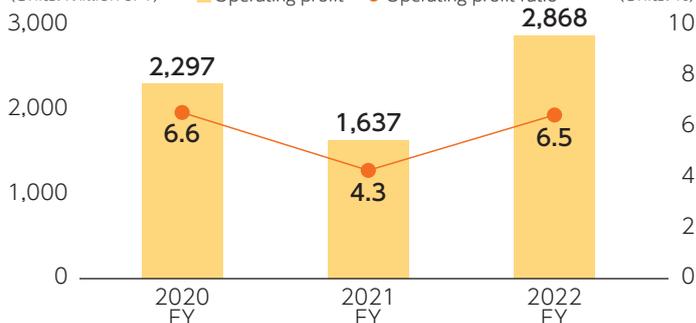
## Operating profit/Operating profit ratio

(Units: Million JPY)

Operating profit

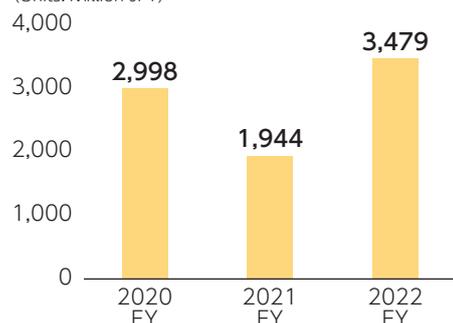
Operating profit ratio

(Units: %)



## Ordinary profit

(Units: Million JPY)



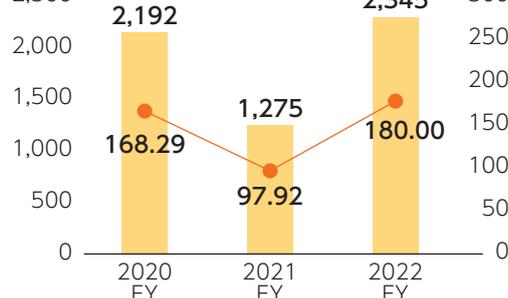
## Profit attributable to TERASAKI shareholders /Profit per share

(Units: Million JPY)

Profit attributable to TERASAKI shareholders

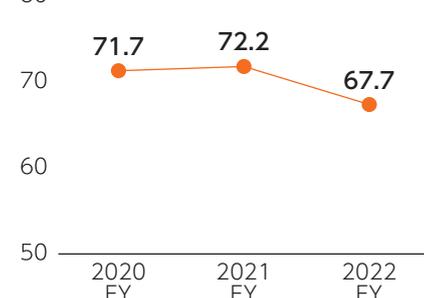
(Units: JPY)

Profit per share



## Equity ratio

(Units: %)



# Consolidated Financial Statements

## Consolidated Balance Sheets

(Units: Million JPY)

	2021FY (As of 31 March 2022)	2022FY (As of 31 March 2023)
<b>[Assets]</b>		
Current assets	36,613	42,894
Non-current assets	15,804	17,048
Property, plant and equipment	9,788	11,180
Intangible assets	148	142
Investments and other assets	5,868	5,726
<b>Total Assets</b>	<b>52,418</b>	<b>59,943</b>
<b>[Liabilities]</b>		
Current liabilities	11,437	14,064
Non-current liabilities	3,113	5,248
<b>Total Liabilities</b>	<b>14,550</b>	<b>19,313</b>
<b>[Equity]</b>		
Shareholders' equity	34,227	36,337
Capital stock	1,236	1,236
Capital surplus	2,244	2,244
Retained earnings	30,747	32,857
Treasury stock, at cost	△1	△1
Accumulated other comprehensive income	3,602	4,247
Non-controlling interests	38	45
<b>Total Equity</b>	<b>37,868</b>	<b>40,629</b>
<b>Total Liabilities and Equity</b>	<b>52,418</b>	<b>59,943</b>

## Consolidated Statements of Income

(Units: Million JPY)

	2021FY (From 1 April 2021 to 31 March 2022)	2022FY (From 1 April 2022 to 31 March 2023)
Net sales	37,856	44,253
Cost of sales	28,091	32,159
<b>Gross profit</b>	<b>9,764</b>	<b>12,093</b>
Selling, general and administrative expenses	8,126	9,224
<b>Operating profit</b>	<b>1,637</b>	<b>2,868</b>
Non-operating income	382	667
Non-operating expenses	75	56
<b>Ordinary profit</b>	<b>1,944</b>	<b>3,479</b>
Extraordinary income	2	7
Extraordinary loss	2	20
<b>Profit before income taxes</b>	<b>1,944</b>	<b>3,466</b>
Income taxes - Current	566	764
Income taxes - Deferred	99	350
<b>Profit for the period</b>	<b>1,278</b>	<b>2,352</b>
Profit attributable to non-controlling interests	2	6
<b>Profit attributable to TERASAKI shareholders</b>	<b>1,275</b>	<b>2,345</b>

## Consolidated Statements of Cash Flows

(Units: Million JPY)

	2021FY (From 1 April 2021 to 31 March 2022)	2022FY (From 1 April 2022 to 31 March 2023)
Cash flows from operating activities	39	△663
Cash flows from investing activities	△933	△1,314
Cash flows from financing activities	△923	1,196
Effect of exchange rate changes on cash and cash equivalents	562	368
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>△1,254</b>	<b>△413</b>
Cash and cash equivalents at beginning of year	13,025	11,770
<b>Cash and cash equivalents at end of year</b>	<b>11,770</b>	<b>11,357</b>

(Note) Monetary amounts are rounded off to one million JPY.

# Terasaki Electric Co., (Far East) Pte. Ltd. — Contributors to safe vessel operations in Singapore — celebrated its 50th anniversary

Singapore is located at a strategic point on the shipping routes connecting Europe, the Middle East, and Asia — the Pacific Ocean and the Indian Ocean. It has developed into one of the world's largest international hub ports, and many shipping companies are based there.

Terasaki Electric Co., (Far East) Pte. Ltd., known as TEFE in short, was established in 1973 as a manufacturing and sales base for marine systems in Singapore—a key maritime transport location. TEFE celebrated its 50th anniversary in March 2023, after playing a part in the shipbuilding and maritime transport industries which had grown fast soon after the foundation of the country.

A ceremony to commemorate the anniversary was held on 3 March, 2023 with employees, their family members, and past presidents of TEFE as honorable guests. The ceremony was reminiscent of its history of 50 years, where 201 people from 9 different nationalities attended.



<Corporate Profile>

- Company Name : TERASAKI ELECTRIC CO., (F.E.)PTE.LTD.
- Location : Tuas street, Singapore
- Foundation : March 1973
- Employees : 153(As of 31 March, 2023)

## Business Fields of TEFE

### Marine Systems

Although Singapore's shipbuilding industry has shrunk in size in recent years, shipyards that specialize in repairs, periodic inspections and ship conversions, as well as those that specialize in the construction of special type of ships, continue to develop. TEFE is also continuing to deliver many innovative marine systems for vessels that help reduce greenhouse gas emissions, such as crew transfer vessels for offshore wind-farm and battery-hybrid vessels.

Power distribution systems manufactured at TEFE has been installed on "RERA AS", a crew transfer vessel for the Ishikari Bay New Port offshore wind farm, which was constructed in Singapore by Nippon Yusen Kabushiki Kaisha, Ltd.



Crew Transfer Vessel "RERA AS"  
Photo courtesy: NYK Group

### Circuit Breakers and Industrial Systems

Singapore has a well-developed transportation infrastructure, including a subway network. A great deal of the electrical equipment installed in these transportation systems is safeguarded by our circuit breakers.

Industrial power distribution boards and control panels manufactured at TEFE are also installed in some of the subway stations, contributing to the safe operation of the subway systems.

### Engineering & Lifecycle Services

In response to LNG demand for decarbonization efforts, projects to convert LNG carriers into floating LNG storage and regasification facilities are being promoted in Singapore. For some of these projects, TEFE not only provides the power distribution systems, but also offers engineering services based on TEFE's extensive experience.

TEFE also operates a service centre at Sharjah, United Arab Emirates, backed by seven qualified service engineers. Located near the entrance to the Persian Gulf, it offers services throughout the Middle East, including port Fujairah, a key port in the region, and Qatar, a large LNG-producing country.

As one of the important operational bases for Terasaki Group's lifecycle business, TEFE covers Western Asia and Eastern Europe, including Turkey, as well as the Middle East, and is proudly contributing to safe vessel operations at sea.

## Corporate Profile

Company Name	Terasaki Electric Co., Ltd.	
Head Office	6-13-47 Kamihigashi, Hirano-ku, Osaka 547-0002 Japan	
Foundation	1 October 1923	
Established	1 April 1980	
Capital	1,236 million JPY	
Employees	2,039 (Consolidated)	533 (Non-consolidated)
Consolidated Subsidiaries	Domestic: 5, Overseas: 8	

## Director & Executive Officer (As of 29 June 2023)

Representative Director President Executive Officer	Taizo Terasaki	
Director Senior Managing Executive Officer	Kazunobu Kumazawa	Business Planning, R&D, Disclosure, General Affairs
Director Managing Executive Officer	Junji Nagase	Accounting & Finance, Information System Department
Director Managing Executive Officer	Masao Nishida	System Division
Director Managing Executive Officer	Yoshihiro Umemoto	Circuit Breaker Division
Director Executive Officer	Shunji Okada	Engineering, Life Cycle
Director Executive Officer	Kazuhiro Yoshikawa	Medical Device
Director Audit & Supervisory Committee Member	Hirofumi Kobayashi	
Director Audit & Supervisory Committee Member (External)	Kunio Chiyoda	
Director Audit & Supervisory Committee Member (External)	Shunji Takano	
Executive Officer	Syujiro Hamano	General Manager, Human Resources & General Affairs
Executive Officer	Masaji Nishino	Chief Audit Executive Internal Audit Section
Executive Officer	Hideki Nakagawa	Sales & Marketing, Circuit Breaker Division
Executive Officer	Keita Yasukawa	Marine Systems System Division
Executive Officer	Tsutomu Takeda	Production Innovation Circuit Breaker Division

## Shares

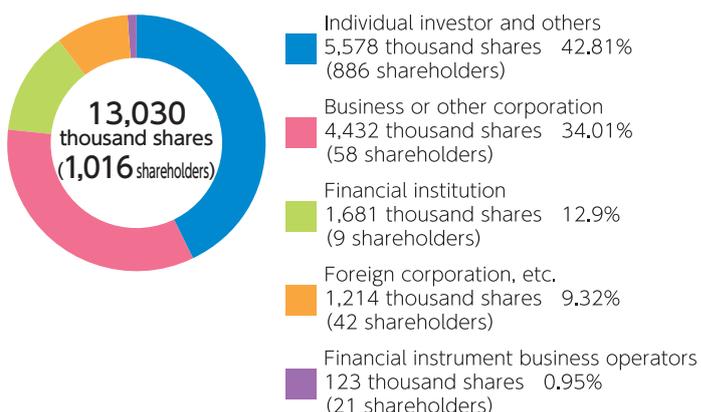
Total number of shares authorized to be issued	52,000,000
Total number of issued shares	13,030,000
Number of shareholders	1,016

## Major Shareholders

Shareholder	Shares owned (1,000 shares)	Share (%)
Terasaki Co., Ltd.	2,200	16.89
Taizo Terasaki	1,138	8.74
Terasaki Trust Co., Ltd	866	6.64
Kaori Aramaki	738	5.66
The Master Trust Bank of Japan, Ltd.	681	5.23
Yuzo Terasaki	677	5.19
Hozansha Co., Ltd.	653	5.01
Terasaki Suppliers Stock Ownership	558	4.28
Terasaki Employee Stock Ownership	557	4.27
NOMURA CUSTODY NOMINEES LTD-TK 1 LIMITED	466	3.58

(Note) Share percentages are calculated without treasury stock (1,021 shares).

## Distribution by Shareholders



\* Treasury stock (1,021 shares) is included in individual investor and others.

## Announcement of 100th Anniversary Website

<https://www.terasaki.co.jp/english/100th/>

We have launched a special website in April, 2023!

Please find our corporate message and commemorative logo and slogan description.



## TERASAKI ELECTRIC CO., LTD.

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