

August 9, 2019

Subject : Management Discussion and Analysis regarding METCO's performance
for the period of quarter 3, ending June 30, 2019
Attention : Directors and Manager of the Stock Exchange of Thailand

Following the submission to the Stock Exchange of Thailand by Muramoto Electron (Thailand) Public Company Limited of its financial statements for the period of quarter 3, ending June 30, 2019, the Company wishes to report Management Discussion and Analysis regarding its performance for the said period, in which the Company and its subsidiary Net Loss of 113 million baht, a decrease 188 million baht, or decrease 251.49 % from the same period of the prior year, as follows;

1. The Company and its subsidiary earned, in this quarter, an income from sales amount 2,679.69 million baht, a decrease of 640.75 million baht, or decrease 19.30 % from the same period of the prior year. Because of US-China trade conflicts, it would be incredibly painful for the global economy. Under those current world economy situations, our sales operation has been hit hard, particularly, the decline of automotive products such as Car Center Panel Unit
2. The Company and its subsidiary earned, in this quarter, a gross profit amount 82.69 million baht, gross profit decrease 79.45 million baht from the same period of the prior year which gross profit amount 162.14 million baht.
3. Selling and Administration expenses of the Company and its subsidiary was increase 37.76 million baht from the same period of last year, The decreasing selling and administration expenses due to The Company target to reduce the ERP expenses also to strictly continue controlling of total expenses.
4. The Company and its subsidiary loss on exchange amount 9.59 million baht in this quarter, compared to 66.05 million baht gain on exchange from the same period of last year.
5. In this quarter, the net loss of the Company and its subsidiary was 113 million baht, a decrease of 188 million baht, or decrease 251.49 % from the same period of the prior year. The decrease was mainly amendment to the law relating to the legal severance pay rate. As a result of this amendment, increased a provision for long term employee benefit about 79 million baht which onetime and non-cash expenses. The Company and its subsidiary recognized it as the employee benefit expenses in the statement of income.

The Company provides this information for clarification to the Stock Exchange of Thailand and for disseminated to all market investors

Sincerely,

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(Mr. Ichiro Nishimura)
Director