

November 22, 2019

Subject : Management Discussion and Analysis regarding METCO's performance  
for the period of the year ended, September 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 the year ended, September 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 198.05 million baht or decrease 229.75 % from the same period of the prior year which got loss, details as follows;

1. The Company and its subsidiary earned, in this year end, an income from sales amount 10,980.34 million baht, decrease 2,483.48 million baht or decrease 18.45 % from the same period of the prior year. The automotive business showed a decrease 32.6 % under last year and the office automation business showed a decrease 13.7 % over last year. From Oct 2018, Slowdown in the China economy and sluggish manufacturing industry, particularly automotive and electrical industry sector. And, the trade war between the United State and China has become fiercer, thereby causing export stagnation in China, drastic inventory adjustment and weak consumer sentiment. Those have given a vast negative impact on our operation.
2. The Company and its subsidiary earned, in this year end, a gross profit amount 299.63 million baht, decrease 364.78 million baht from the same period of the prior year by decreasing sales volume and incurred restructuring expense of subsidiary.
3. Selling and Administration expenses of the Company and its subsidiary was decrease 17.43 million baht from the same period of last year, The Company and subsidiary was strictly control all of expenses particularly ERP, Royalty and Factory maintenance expenses .
4. The Company and its subsidiary gain on exchange amount 4.85 million baht in this year end, compared to 20.43 million baht loss on exchange from the same period of last year.

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