



THAI MITSUWA PUBLIC COMPANY LIMITED.

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Subject The operation results for the first quarter 2022 compared with the same quarter of 2021

To President

The Stock Exchange of Thailand

Thai Mitsuwa Public Company Limited (TMW) summarizes the operation results for the three-month period from 1 April 2022 to 30 June 2022 compared with the same period of 2021 as follows :

(unit : thousand baht)

Income Statement (April - June)	2022		2021		Change
Revenue from sales – plastic parts	387,722	100.00%	371,274	100.00%	4.43%
Revenue from sales – magnesium parts	414,318	100.00%	298,662	100.00%	38.72%
Revenue from sales – molds	37,572	100.00%	41,619	100.00%	-9.72%
Total revenue from sales	839,612	100.00%	711,555	100.00%	18.00%
Cost of sales – plastic parts	352,082	90.81%	324,166	87.31%	8.61%
Cost of sales – magnesium parts	351,233	84.77%	240,988	80.69%	45.75%
Cost of sales – mold parts	26,972	71.79%	24,416	58.67%	10.47%
Total cost of sales	730,287	86.98%	589,570	82.86%	23.87%
Gross profit – plastic parts	35,640	9.19%	47,108	12.69%	-24.34%
Gross profit – magnesium parts	63,085	15.23%	57,674	19.31%	9.38%
Gross profit – mold parts	10,600	28.21%	17,203	41.33%	-38.38%
Total gross profit	109,325	13.02%	121,985	17.14%	-10.38%
Other income	3,398	0.40%	5,088	0.72%	-33.22%
Selling expenses	23,167	2.76%	17,582	2.47%	31.77%
Administrative expenses	59,772	7.12%	58,155	8.17%	2.78%
Finance cost	300	0.04%	1,096	0.15%	466.97%
Income tax expenses	6,214	0.74%	5,821	0.82%	6.75%
Net profit (loss)	23,270	2.77%	44,419	6.24%	47.61%

The first quarter of 2022 performance from April 1, 2022 to June 30, 2022, the company's business performance has declined 47.61% from the same period last year.

Sales increased by 128.08 million baht or 18%. Domestic plastic parts sales increased by 4.11% and exports increased by 8.9%. Domestic magnesium parts sales increased by 35.09% and exports increased by 50.78%. Domestic moulds decreased by 61.39% and exports increased by 4.13%.

Total cost of sales increased by 140.72 million baht or 23.87%, higher rate than sales. This resulted in a 10.38% drop in gross profit. When considering the items with a high proportion and increasing above the rate of increase in sales : plastic and magnesium raw materials increasing approximately by 26%, salary and overtime for sub contract employees increasing approximately by 36%, mold materials increasing approximately by 35%, maintenance of machinery and equipment used in the production of plastic and magnesium parts increasing approximately by 102%, packing material and ink increasing approximately by 34%, and the cost of importing parts increasing approximately by 50%

Selling expenses increased by 5.58 million baht or 31.77%. There are the important items :

- Domestic and export-related transportation expenses increased by approximately 46%, accounting for approximately 75% of selling expenses..
- Employee-related expenses decreased by approximately 0.7%, accounting for approximately 24% of selling expenses.

Administrative expenses increased by 1.62 million baht or 2.78%. There are the important items :

- The employee-related expenses increased by 3.13%, accounting for approximately 70% of administrative expenses;
- Machinery and equipment maintenance costs increased by 25%, accounting for approximately 3.5% of administrative expenses.

Some financial ratios as of June 30, 2022 compared to March 31, 2022 :

<u>Liquidity ratios</u>	30/6/2022	31/3/2022	
Liquidity ratios (times)	2.29	2.17	Current assets / current liabilities
Quick ratios (times)	1.85	1.67	(cash + current investment + trade receivables) / current liabilities
<u>Profitability ratios</u>			
Gross margin (%)	13.02%	17.14%	Gross profit / revenue from sales
Operating profit margin (%)	3.55%	7.21%	Operating profit / revenue from sales
Cash-to-profit ratio (%)	373.80%	278.04%	Cashflow from operating / operating profit
Net profit margin (%)	2.77%	6.24%	Net profit / revenue from sales

<u>Financial policy ratio</u>			
Debt to equity ratio (times)	0.27	0.27	Debt / shareholders' equity

Liquidity ratio increased from 2.17 times to 2.29 times; Current ratio increased from 1.67 times to 1.85 times. Debt to equity ratio remained stable at 0.27 times.

Gross margin dropped from 17.14% to 13.02%; operating margin fell 7.21% to 3.55%; cash-to-profit ratio increased from 278.04% to 371.79%; net profit decreases from 6.24% to 2.77%.

The management continues monitoring closely the progress of the coronavirus disease 2019 epidemic situation and implementing the cost reduction policy in all departments and requests the cooperation from the employees to adjust working according to the uncertain situation and affect the business environment.

Please be informed accordingly.

Yours sincerely,

(Mr.Tetsuji Takeguchi)

Account and Finance Manager