

(Translation)

Ref. No. MCS 010/2024
May9,2024

Subject : Management Discussion and Analysis Quarter 1 of 2024 Ending 31 March 2024

To : Director and Manager
The Stock Exchange of Thailand

M.C.S. Steel Public Company Limited would like to clarify the operating result for the consolidate financial statements of company and subsidiary of Quarter 1 of 2024 periods ended 31 March 2024 that were reviewed by the Independent Auditor , details are as followings ;

1. In Q1/2024, the company's Profit in the owners ended 31 March 2024 was 69.33 Million Baht ,increased from same period of last year which was loss as 15.15 Million Baht, and the company's Profit (separate financial statements) was 55.24 Million Baht ,increased of 25.67 Million Baht or 86.81% from the same period of last year. And if considered in Japanese yen, according to the details below.

Unit : Million Yen

(JPY)	Q1/2024	Q1/2023	increase (Decrease)	%
Profit in the owners	303.31	(123.13)	-	-

The operation of subsidiary companies were as ;

- 1) M.C.S. Steel Xiamen Co., Ltd. 's profit was 3.33 Million Yuan (CNY) or 16.53 Million Baht
- 2) M.C.S.- Japan Co., Ltd. 's profit was 8.10 Million Yen (JPY) or 1.95 Million Baht.
- 3) Tanaka Welding Center Co., Ltd. 's profit was 0.02 Million Baht.

However , the company took the profit by the percentage of share holding in subsidiary companies so the company's Profit in the owners was 69.33 Million Baht.

2. In Q1/2024, the company's gross profit ended was 264.89 Million Baht, increased of 88.16 Million Baht or 49.88% from the same period of last year. And if considered in Japanese yen, according to the details below.

Unit : Million Yen

(JPY)	Q1/2024	Q1/2023	increase (Decrease)	%
Gross profit	1,101.44	624.68	476.75	76.32

3. In Q1/2024, the company's sale revenue (including contract revenue) was 1,408.78 Million Baht ,decreased of 205.19 Million Baht or 12.71% from the same period of last year. And if considered in Japanese yen, according to the details below.

Unit : Million Yen

(JPY)	Q1/2024	Q1/2023	increase (Decrease)	%
Revenue from sales of goods and rendering of services	5,378.99	5,856.46	(477.47)	(8.15)
Contract revenue (Domestic)	478.975	370.272	108.703	29.36
Total	5,857.96	6,226.73	-368.77	(5.92)

Management Discussion and Analysis of previous year (Consolidated Financial)

1. In Q1/2024, our total output including subsidiaries company in Japan and China as

Shipped from	Tons
- M.C.S Thai	8,545.43
- M.C.S. Xiamen (China)	6,822.20
- M.C.S.-Japan	1,085.91
- Domestic Work	1,366.48
Total	17,820.02

As a result, the sales revenue was 1,408.78 Million Baht ,which decreased 205.19 Million Baht or 12.71% from the same period of last year.

2. In Q1/2024, Cost for sales of goods and rendering of services (including cost of contract) were 1,143.90 Million Baht ,decreased 293.35 Million Baht or 20.41% from the same period of last year.

It can be observed that in this quarter, the proportion of reduction in the cost for sales of goods and rendering of services is greater than the proportion of reduction in revenue from sales and services. This has resulted in increased profitability for the company. The main reason for this were the managing to utilize raw material in stock at prices cheaper than market rates while the sales prices have increased.

3. In Q1/2024, the distribution costs were 118.74 Million Baht ,decreased 10.07 Million Baht or 7.82% due to the decrease in shipping costs.
4. In Q1/2024, the Administrative expenses were 61.29 Million Baht ,decreased 16.70 Million Baht.

70 Moo 2 Changyai, Bangsai, Ayutthaya Thailand 13290
Tel : (66) 035-372961-6 Fax : (66) 035-372967-8
E-mail Address : info@mcssteel.co.th www.mcssteel.com

70 หมู่ 2 ต.ช้างใหญ่ อ.บางไทร จ.พระนครศรีอยุธยา ประเทศไทย 13290
โทรศัพท์ : (66) 035-372961-6 โทรสาร : (66) 035-372967-8
E-mail Address : info@mcssteel.co.th www.mcssteel.com

5. In Q1/2024, the other income was 11.90 Million Baht ,increased of 1.36 Million Baht from the same period of last year.
6. In Q1/2024, the financial cost was 3.36 Million Baht which arises from order of more raw material .
7. In Q1/2024, the exchange rate as 24.049 baht per 100 yen decreased from the same period of last year of 6.27%.
8. At 31 March 2024, Inventories were 2,428.45 Million Baht which including ;

Type	Million Baht
- Raw material	1,175.34
- Spare parts and factory materials	160.51
- Goods in Transit	124.37
- Work in Process awaiting delivery	968.23

As the reasons as above, In Q1/2024 the company's Profit in the owners ended 31 March 2024 was was 69.33 Million Baht.

Yours Sincerely



(Dr.Naiyuan Chi)
Chairman of Board Director

Company Secretary : kancharica@mcssteel.co.th
Tel : 089-9001217-8 Ext.148