

(Translation)

Ref. No. MCS 011/2026
May11,2026

Subject : Management Discussion and Analysis Quarter 1 of 2026 Ending 31 March 2026

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 2026 periods ended 31 March 2026 that were reviewed by the Independent Auditor , details are as followings ;

1. In Q1/2026, the consolidated operating results attributable to the parent company and its subsidiaries showed a net profit of Baht 97.45 million, a decrease of Baht 122.75 million, or a decline of 55.74% compared with Q1/2025. In the separate financial statements of the Company, net profit amounted to Baht 115.67 million, a decrease of Baht 71.27 million, or 38.13% compared with Q1/2025. The figures translated into Japanese yen are presented in detail below.

Unit : Million Yen

Details	Quarter 1/2026	Quarter 1/2025	Increase (decrease)	%
Profit attributable to the parent company	511.22	987.68	(476.46)	-48.24

The operation of subsidiary companies were as ;

- 1) M.C.S. Steel Xiamen Co., Ltd. 's loss was 3.50 million Yuan (CNY)
- 2) M.C.S.- Japan Co., Ltd. 's profit was 15.51 million Yen (JPY).
- 3) Tanaka Welding Center Co., Ltd. reported a net loss of Baht 0.03 million.

However , the company took the profit by the percentage of share holding in subsidiary companies so the company's Profit in the owners was 97.45 Million Baht.

2. In Q1/2026, the Company reported gross profit of Baht 274.88 million, a decrease of Baht 69.09 million or 20.08% compared with the prior year. The amounts translated into Japanese yen are shown in detail below.

Unit : Million Yen

Details	Quarter 1/2026	Quarter 1/2025	Increase (decrease)	%
Gross profit	1,391.17	1,543.84	(152.67)	-9.89

3. In Q1/2026, the Company reported revenue from sales and management services, including contract revenue (domestic projects), of Baht 798.71 million, a decrease of Baht 606.78 million or 43.17% compared with the prior year. The amounts translated into Japanese yen are shown in detail below.

Unit : Million Yen

Details	Quarter 1/2026	Quarter 1/2025	Increase (decrease)	%
Sales and management services	3,599.26	6,307.91	(2,708.65)	-42.94
Contract revenue	361.84	-	361.84	100.00
Total	3,961.10	6,307.91	(2,346.81)	-37.20

Management Discussion and Analysis of previous year (Consolidated Financial)

- In Q1/2026, the Company and its subsidiaries recognized total billable volume of 9,236 tonnes, a decrease of 10,107 tonnes or 52.25% compared with Q1/2025.
- In Q1/2026, revenue from sales and services, including contract revenue, amounted to Baht 798.71 million, a decrease of Baht 606.78 million or 43.17% from Q1/2025 due to lower delivery volume.
- In Q1/2026, cost of sales and services, including contract costs, amounted to Baht 523.83 million, a decrease of Baht 537.69 million or 50.65% from Q1/2025 due to lower delivery volume.
- The reduction in delivered volume resulted in a gross profit margin of 34.42% in Q1/2026, a decrease of 20.08 percentage points compared with Q1/2025.
- In Q1/2026, selling expenses increased by Baht 36.99 million, or 56.53%, from Q1/2025. This was mainly because Q1/2025 included a one-off reversal of transportation expenses that exceeded the amount in Q1/2026 by Baht 38.46 million.
- In Q1/2026, administrative expenses increased by Baht 16.57 million, or 26.72%, from Q1/2025.



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7. The average exchange rate used to translate revenue and expenses in Q1/2026 was Baht 20.1638 per JPY 100, a decrease of 9.50% from Q1/2025.

Based on the above details, the Company's profit for Q1/2026 decreased by Baht 122.75 million, or 55.74%, compared with Q1/2025.

Yours Sincerely

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(Dr.Naiyuan Chi)
Chairman of Board Director

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